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Financial Reform Association, Liverpool

T R A C T S

OF THE

LIVERPOOL FINANCIAL REFORM ASSOCIATION.

1851.

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1891

STRAIT

1891

LIVERPOOL FINANCIAL REPORT

ASSOCIATION



1891

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STRAIT AND FINANCIAL ASSOCIATION
LIVERPOOL FINANCIAL ASSOCIATION

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THE LIVERPOOL
FINANCIAL REFORM ASSOCIATION.

OBJECTS.

1st. To use all lawful and constitutional means of inducing the most rigid economy in the expenditure of the Government, consistent with due efficiency in the several departments in the public service.

2nd. To advocate the adoption of a simple and equitable system of direct taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensively-collected duties upon commodities.

Political partisanship is distinctly disowned, the Association being composed of men of all political parties.

RULES.

- 1st. Every person contributing Five Shillings per annum, or upwards, shall be a Member. Subscribers of Ten Shillings, or upwards, per annum are entitled to all the Publications of the Association postage free.
- 2nd. The business of the Association shall be conducted by a President, three Vice-Presidents, a Treasurer, a Secretary, and a Council of Fifteen Members, with power to add to their numbers. Five to be a quorum. Their meetings to be monthly, or oftener, at the discretion of the President, the Secretary, or any three Members of the Council.
- 3rd. The Treasurer shall submit his Accounts to the Council for audit at least one week previous to the Annual General Meeting.
- 4th. The Secretary shall register all proceedings in the minute book, and procure the Chairman's signature to the report of each meeting.
- 5th. A General Public Meeting of the members shall be held annually to pass the Treasurer's Accounts, to receive the Annual Report of the Council, and to elect officers; and other General Meetings shall be held at the discretion of the President, or of the Council, or on the requisition of any twenty-one members of the Association.
- 6th. Any member desirous of proposing any amendment of the Rules, or any alteration affecting the constitution of the Association, shall give a week's notice thereof to the Secretary, and a copy of the same shall be exhibited in the office of the Association, at least four days before the ensuing General Meeting.
- 7th. The mode of voting at all the meetings of the Council shall be open, unless on the motion of any two members present, when it shall be by ballot.

ROBERTSON GLADSTONE, President.

Liverpool, 20th April, 1848.

ANNUAL REPORT OF THE
FARMERS' ASSOCIATION

REPORT

The Farmers' Association of the State of New York, organized in 1865, has the honor to announce to the public the results of its operations during the year ending on the 31st day of December, 1887. The Association has during the year past, been engaged in a course of systematic and judicious management, and has succeeded in securing for its members a large and profitable business. The Association has also been successful in securing for its members a large and profitable business. The Association has also been successful in securing for its members a large and profitable business.

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FINANCIAL REFORM TRACTS.

No. 1.

THE FINANCIAL REFORM ASSOCIATION now present to the public the first of a series of Reports, which they purpose issuing from time to time, on the financial condition of the country.

The embarrassed position in which the nation has been placed, through mismanagement in the financial department of the Government, is both the cause and the justification of their labours. For the proof of this mismanagement they refer to the following plain facts and figures.

The annual Governmental expenditure, in time of peace, exclusive of interest on the national debt was,

During the reign of George I. about	£2,583,000
„ „ George II. „	2,766,000
„ „ George III. (1792)	7,670,109
„ „ George IV. (1828)	21,407,670
„ „ William IV. (1835)	15,884,649
„ „ Victoria (1848)	24,280,804

The habit of lavish and wasteful expenditure, which was formed during the war, has never been extinguished ; but during the reign of William IV., in consequence of the strong and general expression of the national desire for retrenchment, vigorous and successful efforts to economise were made by the Government. These efforts, however, ceased when the national attention was directed to other matters, and each year the expenditure steadily increased. The present Government has arrived at an unparalleled height of extravagance, *the expenditure of 1848 exceeding that of 1835 by one half!*

The revenue of the United Kingdom for the present year

is estimated at the enormous sum of £51,250,000

And yet our spendthrift governors acknowledge that their

expenditure will amount to 54,596,452

Leaving a deficiency of* 3,346,452

to be added to the national debt, at a time of peace, when, according to common sense and common honesty, we ought to be redeeming that debt, instead of increasing it.

But these figures need not be dwelt upon, since the urgent necessity for financial reform is unfortunately too well proved by the present lamentable condition of the kingdom. Our merchants, manufacturers, and tradesmen, hopeless of the gain which ought to reward their industry, have been for years past desperately struggling to preserve themselves from ruin ; and many, in spite of experience, skill, and most intense and anxious application, have been unsuccessful in this struggle. Our artizans and labourers, in return for the severest toil, can obtain only a deficient supply of the bare necessities of life ; and thousands have been driven, by want of employment, to the workhouse, to save themselves from starvation.

Under these circumstances, the impoverished nation cannot possibly sustain the prodigal expenditure which it has endured in better times ; and

* By the third and last statement of the Chancellor of the Exchequer, (made on the 25th August,) the deficiency now appears to be reduced to £2,031,000. This reduction is referred to with considerable pleasure, as a proof that the general demand for economy has already effected some retrenchment, and as an earnest that continued exertion on the part of the public will cause a much more material saving.

it therefore has now become absolutely necessary that the national revenue should be economised with the most anxious frugality, and the expenditure carefully confined within the strictest limits of indispensable necessity.

Nations as powerful as Great Britain have been brought to revolution and ruin by excess of governmental expenditure over income; and in no country can financial derangements lead to more disastrous consequences than in one where above £700,000,000 is invested upon the security of the national credit.

The true remedy and preventive for this excessive expenditure is the diminution of our enormous armaments; the extinction of all sinecures, unmerited pensions, and other unearned, and therefore dishonourable and unjust payments;* and the practice of a constant and watchful supervision over every branch of expenditure, by the Chancellor of the Exchequer, and the heads of the different departments of the Government. But a diminution of the expenditure to meet the existing deficiency is not all that is sought for; an important decrease in the present overwhelming weight of taxation; an entire revision of the existing system of levying the taxes; and a provision for the future progressive diminution of the national debt, are also imperatively called for by the clearest requirements of justice and sound policy. To these measures, however, the reduction of the national expenditure is an indispensable preliminary step, and to that object accordingly the efforts of the Financial Reform Association will be first directed. They are convinced that, to be thoroughly effectual, and the example to be very generally followed, curtailment of expenditure should originate in high quarters; and, accordingly, they now submit the limit within which the cost of Royalty should, in their opinion, be confined. The painfulness of the requirements that suggest the propriety of this measure is, they are happy to say, in some degree mitigated by the declaration of her Majesty's Prime Minister, Lord John Russell, that so large a sum as is now expended annually is not necessary for the comfort or happiness of the Queen. And, beyond securing these two important objects to her Majesty, it is felt that no further obligation can virtually rest on the people.

SECTION I.

Present allowance to the Sovereign	£385,000
Proposed future allowance to the Queen	200,000
Proposed for future Sovereigns	150,000

EXPLANATORY DETAILS †

Civil List, conferring on her Majesty, as the annual allowance to the Sovereign, according to Act of Parliament, passed 23rd December, 1837	£385,000	0	0
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* "Whilst money can be saved either by cutting off unnecessary offices and gratuities, or by checking useless expenses, no Minister ought to apply for an augmentation of imposts.

"It is only by a strict and inviolable attention to such a system, that the rulers of a burdened people can flatter themselves that a nation will long remain in quiet subjection; for nothing can be more galling to those who are oppressed and overloaded, than to see others wallowing in riches extorted from them by the chicanery and artifices of finance, whilst they can but barely furnish themselves with the means of subsistence."

Sir J. Sinclair's History of the Revenue. Vol. 2, p. 167.

† For the greater part of the following details, the Association are indebted to a useful little work entitled "Sketches of her Majesty's Household," which contains, in addition, a great deal of very curious information. The facts themselves, however, that is to say, the appropriations of this expenditure, are based upon official documents, which received the sanction of the House of Commons at the time of her Majesty's accession to the throne.

Appropriated as follows:—

Her Majesty's privy purse	£60,000	
Household salaries, namely:—		
Lord Chamberlain's department.	£66,499	
Lord Steward's ditto	36,381	
Master of the Horses' ditto	27,650	
Mistress of the Robes' ditto	730	
	<hr/>	131,260
Tradesmen's bills, estimated at,—		
Lord Chamberlain's department.	£42,000	
Lord Steward's ditto	86,000	
Master of the Horses' ditto	39,500	
Mistress of the Robes' ditto	5,000	
	<hr/>	172,500
Bounties, charities, &c.:—		
Royal bounties & special services	£9,000	
Alms and charity.	4,200	
	<hr/>	13,200
Unappropriated money		8,040
	<hr/>	£385,000 0 0

Besides an amount of £1,200 per annum at the disposal of her Majesty for pensions.

The Household Salaries are distributed as follows:—

Lord Chamberlain's department.

Lord Chamberlain (Earl Spencer) £2000

The ostensible duties of this officer are to take care of all the officers and servants belonging to the Queen's chambers, excepting those belonging to the Bedchamber, who are under the Groom of the Stole. He has the oversight of removing wardrobes and beds, of tents, revels, music, comedians, huntsmen, &c.; of all handicrafts and artizans, of the Queen's chaplains, physicians, apothecaries, &c. He inspects the charges of coronations, marriages, cavalcades, funerals, &c. The appointment is strictly political. In 1805 the salary was £1200. Augmentations were continually made up to 1831, when it was £3085 per annum. In that year a committee of the House of Commons recommended that it should be reduced to £2000, at which it has since continued.

Vice-Chamberlain (Lord George Fitzallan Howard) 924

A political office: ostensibly to assist the Lord Chamberlain in his arduous labours.

Mistress of the Robes 500

A sinecure, the duties being entirely of an honorary character, and the services scarcely ever required by her Majesty except on certain occasions of state.

Ladies of the Bedchamber—eight, at £500 per annum each. 4000

Services honorary. Required to keep her Majesty company, upon the average, for a fortnight, three times in the course of each year. When in attendance they dine at her Majesty's table.

Maids of Honour—eight, at £300 per annum each 2400

Services also honorary, being regarded as companions to her Majesty, with whom they reside by turns, two at a time, each being in attendance about three times in the course of the year, for four weeks at a time. They also dine at the Queen's table when at the Palace.

Bedchamber Women—eight, at £300 each 2400

May be considered as the above—perfect sinecures, their duty being to associate with her Majesty for fourteen days at a time, each of the eight taking it in turn. They also dine at the Royal Table. Since 1845 there has been an extra Bedchamber Woman appointed.

Lords in Waiting--eight, at £702 per annum each £5616

The appointment may be considered entirely a political one, and the office itself a sinecure, their duties being to attend her Majesty, each in turn, for a fortnight at a time, or about three times in the year. The Lord in Waiting dines at her Majesty's table.

Grooms in Waiting—eight, at £335 12s. 6d. 2685

A political appointment: duties, to dine with her Majesty when in waiting, which happens three times in the year, for a fortnight at each wait.

Masters of the Ceremonies £300

Assistant Master, 6s. 8d per day 121

Marshal 100

521

During William the Fourth's reign, the two last arduous offices were discharged by one person, but are now held by two distinct officers, each receiving their salaries from the Civil List. Besides this, the country had to pay for chains and badges for these meritorious officials, during the six quarters ending 30th September, 1846, the sum of £144 19s. 2d. not included in the Civil List. The duties are to be at Court on state occasions, to conduct ambassadors into the presence of the Sovereign, and similar offices at drawing-rooms, levees, &c.

Gentlemen Ushers of the Privy Chamber, four, at £200 each 800

Sinecure offices—services never required at Court except on extraordinary occasions.

Gentlemen Ushers, daily waiters, four, at £150 each £600

Assistant Gentleman Usher 66

666

Like the above—sinecures. The Senior Gentleman Usher always holds at the same time the very lucrative office of Usher of the Black Rod in the House of Lords, so that his services are always dispensed with in the Royal Household. The duties of the others were, at one time, to take monthly turns of attending in the room adjoining the apartment of the Sovereign, in case they *might* be required to wait personally on Royalty. This service is now performed by the Pages of the Back Stairs, but the offices are sources of patronage, as are most of the others, to the Lord Chamberlain.

Grooms of the Privy Chamber; four, at £73 per annum each 292

No duties, except on extraordinary occasions; sometimes at Drawing-rooms and Levees, one or two attend in the passages, and on the staircases. The Chamberlain is patron, and nothing in this way is too small to be despised.

Gentlemen Ushers, quarterly waiters in ordinary; eight; salaries not exactly known; may be estimated at £120 each 960

Sinecures—the nominal duties being to do the work of the Ushers' daily waiters in their absence, which last have actually no work at all to perform. The functions of the office are discharged by the Pages of the Back Stairs. Lord Chamberlain, patron.

Gentlemen of the Privy Chamber; forty

These form a remarkable exception to the usual character of the officials in the Royal Household, having a sinecure without any salary attached to it.

Grooms of the Great Chamber; ten, at £40 per annum each 400

Ten sinecure situations in the gift of the Lord Chamberlain. Their duties are supposed to consist in simply attending at the Palace on occasions of Drawing-rooms and Levees, but their services are scarcely ever required. The smallest contributions are, however, thankfully received.

Sergeants-at-Arms; eight, at £100 each, independent of their valuable fees and perquisites of office £800

The appointment is a political one, and the duties quite nominal, being, according to the terms of the institution by Richard I. to capture any traitors about the Court, or other great offenders, and to hold watch out-

side the King's tent, dressed in complete armour, and armed with a bow, arrows, a sword, and the mace of office

Officers of the Robes, consisting of a groom, clerk, messenger, and furrier; salaries not known, but they are extremely liberal. These officers are appointed by the Lord Chamberlain, and the duties are merely nominal.

Kings of Arms and Heralds, three of the former and six of the latter, altogether receiving £355

Pages of the Back Stairs, formerly six, now five, at £400 each per annum 2000

This is the first class of household officers we meet with performing something more than honorary services. Their duties are to wait on the Queen, one being always at the door of her Majesty's apartment from eight o'clock in the morning until the hour of retiring to rest. Two are in attendance on her Majesty during dinner. The salary was formerly £80 per annum, exclusive of perquisites.

Pages of the Presence; six, with salaries from £140 to £280 per annum.

The duties are to attend on the Lords, Ladies, Maids of Honour and her Majesty's visitors, and to communicate with the Pages of the Back Stairs. Their periods of attendance are, a month off and a month on. Their number was formerly eight, but it has been reduced to six, and the saving in this department by the reduction has been computed to be nearly £1000 per annum.

Two State Pages, salaries not known, but the duties are nearly nominal
Queen's Messengers, four in number.

The situation is said to be worth, with fees and emoluments of office, from £300 to £400 per annum. There were formerly six and a messenger, but this last has been dispensed with, and the number reduced to four, by which arrangement, it is said, a saving of upwards of £800 per annum has been effected.

Inspectors of Palaces, three, at salaries (with emoluments and perquisites,) varying from £150 to £350 per annum each.

The duties are to superintend the care of the furniture generally, and to make arrangements for the reception of the Court and her Majesty's visitors.

Housekeepers at the Royal Palaces.

There are nine of these, with salaries varying from £100 to £300 per annum. These situations are all in the gift of the Lord Chamberlain, who generally selects those who have held similar places in his own establishment, or in that of some political friend, and who, of course, must be duly qualified. The duties, however, with the exceptions of those required to be performed by the housekeepers at Buckingham palace, Windsor Castle, and Osborne House, are very trifling. Lady Mary Fox was the housekeeper at Windsor Castle until 1846. In addition to her salary of £320, her emoluments from the fees of visitors averaged £1200 to 1500 per annum. In 1846, the fees were abolished, and a compensation given to her Ladyship, who then retired from office. There are, also, two attendants at Windsor Castle, to show visitors round the state apartments on the three days in the week when they open, with salaries of £75 to £80 a year.

Poet Laureate, salary per annum 100

Described by Gibbon as a stipendiary poet, who in every reign, and at all events, is bound to furnish, twice a year, a measure of praise and verse, such as may be sung in the chapel and in the presence of the Sovereign.

The Examiner of Plays, salary £400

And, in addition, a fee on every play, interlude, farce, or song, licensed for representation on the stage. His duty is to strike out everything from such performances that would be liable to contaminate the morals of playgoers, or to make them think disrespectfully of Church and State. George

Coleman, the younger, the author of "Broad Grins," was once conservator of public virtue.

The Surveyor of Pictures and Principal Painter. Combined salaries £182

These salaries are insultingly low, if the recipients are men of genius and celebrity in their profession, or they are given without any service being rendered, and ought not, therefore, to be continued.

Master of the Tennis Court, salary 132

A sinecure appendage to the Royal establishment.

Bargemaster and Keeper of the Swans, salaries recommended to be paid to them by the Committee on the Civil List 400

Nature of duties not known. The two offices were formerly held by the same person, but, at the accession of her Majesty, the onerous duties were again shared between two recipients of salaries. In 1846, a sum of £113 13s. 6d. was charged on the civil contingencies for watermen's badges, and attendance of the bargemaster and watermen at the House of Lords, and not defrayed from the Civil List of the Sovereign.

Ecclesiastical Staff of the Household. Total of salaries 1236

This establishment consists of a Dean of the Chapel Royal, St. James's, a sub-dean, a chaplain at St. James's, a clerk of the Queen's closet, three deputy clerks, forty-eight chaplains in ordinary, ten priests in ordinary, and preachers and readers; at the Chapel Royal, Whitehall, Windsor, Hampton Court, and Kensington. This large body of clergymen considered necessary to make the Court religious are not, of course, all paid—otherwise the £1,236 would go but a short way—but the appointments are considered stepping-stones to more valuable preferment in the Church.

The Dean of the Chapel-Royal receives a salary of £200; the Sub-Dean nominated by the Dean, £91. The sixteen Gentlemen of the Chapel, also nominated by the Dean, to assist in chaunting the morning and afternoon Sunday services, have each a salary of £73 per annum, from which, deducting land and income tax, there would remain to each about £56. The forty-eight Chaplains in Ordinary receive no payment for their spiritual services. Five of the ten Priests are required to "wait monthly" to do duty, and receive each £73. The following officials are also connected with the Chapel-Royal:—Two Organists and two Composers, each £73; a Violist, £40; a Sergeant and Yeoman of the Vestry, £182; a Groom of the Vestry, £51: all subject to a deduction of 4s. in the pound as land tax. There is likewise a Master of the Boys of the Chapel-Royal, who receives £50 a year for maintaining and teaching each of the ten choristers, or £500. There was formerly a German, a French, and a Dutch Chapel connected with the Household of the Sovereign, but the only one now remaining is the German Chapel in the Friary, where the officials receive the following salaries:—Chaplains, £243; Reader, £62; Clerk, £60; Porter, £60; allowed for necessaries, £16.

Medical Staff of the Household: expenses of the establishment . . 2700

The Court appears to require as extensive provision for its sanitary as for its religious condition; accordingly, we find that the staff consists of the following officials:—Two physicians in ordinary, five physicians extraordinary, two physician accoucheurs, a physician to the household, two sergeant surgeons, a surgeon accoucheur, a surgeon to the household, four surgeons extraordinary, two apothecaries to the person, three apothecaries to the household, two apothecaries extraordinary, two surgeon-dentists, a dentist to the household, an aurist, an oculist, and a surgeon chiropedist, besides two apothecaries to her Majesty in the Isle of Wight! Some of these have paid salaries, others are paid by fees as their attendance is required. With the apothecaries, contracts are entered into for medicines and attendance. The apothecary to the household at Windsor receives the salary of £800 per annum.

Military Establishment of the Household. Expenses of this department, consisting of a corps of Gentlemen-at-Arms—salaries £5129

Corps of Yeomen of the Guard—salaries 7100

— £12129

The band of Gentlemen-at-Arms was formed in the reign of Henry VIII., and were then termed "Gentlemen Pensioners." On the accession of Wm. IV., they received their present title. Their duties are to attend at coronations, drawing-rooms, levees, the funerals of the Royal family, and other occasions of state ceremony. At drawing-rooms they line the Presence-chamber, and also the interior approaches to the House of Lords, when the Sovereign opens or closes Parliament.

For these important functions, forty gentlemen-at-arms, with a captain, lieutenant, standard-bearer, gentleman-harbinger, clerk of the cheque, and axe-keeper, are found necessary. Twenty of these gallant officers attend (when their services are required) during six months in the year, and are then relieved from the toils of duty by the other twenty for the remainder of the year. The following are the salaries received by this corps:—The Captain, (who is invariably a Peer, and, though ostensibly nominated by the Crown, is always superseded on every change in the Administration,) 1,000*l.*; Lieutenant, 500*l.*; Standard-bearer, 380*l.*; Clerk of the Cheque—salary, with fees, 140*l.*; Gentleman-Harbinger, 70*l.*; Forty Gentlemen-at-Arms, each, 100*l.*; Axe-keeper Messenger, 50*l.*

All these offices, with the exception of that of the captain are marketable, and may be purchased at a regular price by any who are desirous to fill a place at Court, or consider the salary a good investment for their money. The only exception to this is, that the individual must not be in any way connected with trade, as the pursuits of buying and selling, or getting gain, are, naturally enough, thought to be derogatory to those who have *purchased* commissions in this distinguished corps.

The last market quotations for the various offices were—For the Lieutenantcy, 10,000*l.*; Standard-bearership, 4,000*l.* to 5,000*l.*; Gentlemen-at-Arms-ship, upwards of 1,400*l.*

The members, when ordered into the country, as at Windsor, to do duty at the residence of the Sovereign, were formerly allowed five guineas per day for travelling and hotel expenses, but this has latterly been reduced to three guineas. They have to provide themselves with a dress and undress uniform, which cost them between 80*l.* and 90*l.*, and they have to pay the following fees on the purchase and transfer of their commission:—To the Captain, 52*l.* 10*s.*; Clerk of the Cheque, 5*l.* 10*s.*; Secretary, 5*l.* 5*s.*; Messenger, 1*l.* 6*s.*; Commission, 1*l.* 1*s.*; Total, 65*l.* 12*s.*

The Yeomen of the Queen's Guard have duties to perform very similar to those required from the Gentlemen-at-Arms. The corps was instituted by Henry VII. and their duties then were, to wait in the first room above stairs, forty by day and twenty by night; to bring up the dishes for his Majesty's table, and deliver them to the servers; and to attend the King's person on going abroad, and on all occasions of solemnities. Six of them, called "Yeoman Hangers," had the charge of removing the tapestry from the Royal apartments when the King changed his residence; and two of them, called "Yeomen Bed-goers," had the same charge with respect to putting up and taking down the Royal beds. These offices, however, are now perfect sinecures, and their services are never called into requisition, except on the usual State occasions, to stand in the passage and receiving-rooms of the Palace, at drawing-rooms, levees, marriages, &c.

The Corps consists of the following officers, namely:—A Captain, salary, 1,000*l.*; (he is invariably a Peer, and the appointment has always been a political one, although nominally in the gift of the Crown;) Lieutenant, salary, 500*l.*; Ensign, 300*l.*; (these appointments are not political, that is, no change necessarily takes place on the accession of a new Administration;) Clerk of the Cheque, salary, 150*l.*; also, a Deputy Clerk, with a salary. Four exempts, who command the yeomen in the absence of the Lieutenant or Ensign—salary will, probably, be 250*l.* to 300*l.* per annum, as the market value of the office is computed at 4,000*l.* to 5,000*l.* One hundred Yeomen, seventy-eight of whom receive per annum each, 39*l.*; four superannuated receive, in addition to this salary, each per annum, 25*l.*; six Yeoman Hangers, each, in addition 10*l.*; two Yeomen Bed-goers, 10*l.*; two Yeomen Messengers, 10*l.*; eight Yeomen Ushers, at a salary of 49*l.* each.

The office of Yeoman was formerly purchased by fees to the Captain of the Guard and others; to the amount, altogether, of £330, but, by a very excellent regulation, latterly made, these situations are no longer purchasable, by payment of fees or otherwise; and as vacancies now occur they are filled up by the most deserving and well-behaved non-commissioned officers from certain cavalry regiments, who are recommended to the Commander-in-Chief by their respective Colonels. If offices of this nature were uniformly bestowed on individuals who have done good service to the country in some other capacity, and were dispensed without favouritism, it would more readily reconcile the public to the continuance of these otherwise wasteful and unnecessary remnants of feudalism.

Master of the Music and Band,—aggregate salaries £1961

The State Band consists of a Master, a Conductor, and Twenty-four Members, besides a Sergeant Trumpeter and eight Household Trumpeters. They receive the following remuneration:—The Master of the Band, £200; the Conductor, £100; the twenty-four Members, each £40; the Sergeant Trumpeter, £100; the Household Trumpeters, each £40.

Besides fees at coronations and other State occasions, at which times only their services are required, although they are liable to be called on duty on other occasions, at the will of the sovereign. It appears that only a portion of their expenses is defrayed out of the Queen's civil List, for we find the House of Commons, in July, 1847, voting the sum of £385 7s. 6d. for "triennial and other allowances to the Sergeant Trumpeter, and to the Household Trumpeters and Kettle Drummer, and for a new Silver Trumpet," &c., being "expenses defrayed by the Officers of the Household, &c., not being part of the Civil List.

In addition to the State Band, her Majesty has a private Band, the expenses of which being defrayed out of the privy purse, very great reductions have been made in it within the last three or four years. There are twenty-five Members in it, and the Conductor, whose salary is £200 a year and perquisites. The Members were formerly paid £130 a-year, but now receive generally £80 to £90 only. The vacancies in the State Band are filled up from the Private Band, in which case the salary allowed for this former duty goes to the benefit of the privy purse.

In the Lord Chamberlain's office the following officials are engaged:

The Comptroller of Accounts, and Superintendent of the duties of the Department; Chief Clerk, Superintendent of Payment, Inspector of Accompts, First, Second, and Third Assistant Clerk. The salaries of these several officers range from £700 to £150 per annum. There are, besides, a Chamber Keeper, Office Porter, and two Office Messengers, whose situations are worth from £80 to £100 a-year. All these appointments are in the gift of the Lord Chamberlain. The average expenses of the department for salaries, &c., &c. 3110

There is a sum of 7186

Appropriated to retired and superannuation allowances for the various officers, clerks, and other persons in this department of the Household, according to an Act passed in the 4th and 5th years of the reign of his late Majesty William IV., entitled "An Act to alter, amend, and consolidate the laws for regulating the pensions, compensations, and allowances to be made to persons in respect of their having held Civil offices in H. M. service." The allowances granted are from 3-12ths to 8-12ths of their salaries, according to length of service.

In this department also is included the salaries of the Governor and Lieutenant-Governor of Windsor Castle; the former receiving a salary of £1,120, and the latter of £173 per annum. Total, £1,293.

The former office was, on the death of the Duke of Sussex, granted by letters patent to Field Marshal, H.R.H. Prince Albert. It involved, at one period, great responsibility; all royal and distinguished state prisoners being placed under the care of the Governor. Now, however, there is neither responsibility nor trouble attached to the appointment. There are

no duties to be performed, and the office is consequently a sinecure. There can be little doubt, were a general system of retrenchment adopted, that Prince Albert, who, besides an income of £30,000 a-year voted by Parliament, is a Field Marshal, the Colonel of one of the most profitable regiments in the service of the Sovereign, has a large farm, rent and tax free, and numerous other lucrative appointments, would, in the exercise of his well-known liberality, place the salary and emoluments he derives from this office to the credit side of national accounts.

The above-named particulars include all the salaries in the Lord Chamberlain's department, with the exception of the following appropriations, namely,—Order of the Garter, £502; Order of the Bath, £409.

Lord Steward's department.

The salary of the Lord Steward, as fixed at her Majesty's accession, is £2000

In the reign of George III. it was only £1,460; it was afterwards augmented, up to 1831, to £2,436 10s. In that year a Select Committee of the House of Commons recommended in their report it should be reduced to £2,000 per annum, at which it has since continued.

The appointment is entirely a political one, being renewed on each change of Administration, and the duties of this officer are to rule and govern the estate of the Queen's household according to his discretion. All his commands in Court are to be obeyed. His authority reaches over all the officers and servants of the Queen's house, excepting those of the Queen's chamber, stable, and chapel. He has authority, also, to hold courts for administering justice and settling disputes between the servants of the Queen.

Although the office affords to its holders a considerable patronage in the appointment of many of the inferior officers, clerks, and domestic servants, its duties seldom require his attendance at Court, except on State occasions, as the details of this department are chiefly left to the supervision of the Master of the Household, who resides in the Palace.

In fine, this office may be regarded as purely an honorary one.

The Treasurer of the Household, receiving a salary of 904

Is an officer of pretty much the same character. He is the Lord Steward's deputy at State ceremonials in the absence from Court of the former functionary; and, if the principal has next to no duties to discharge, it is not difficult to estimate the amount of services performed by his deputy. There being, however, a salary attached to the office, it is useful in enabling a Minister to reward political friends. The salary in preceding reigns was £1,200 per annum.

The Comptroller of the Household receives a salary of 904

For which he has simply to examine and check the accounts connected with the expenses of the household in the Lord Steward's department, and his salary was formerly £1,200, but was assimilated to that of the Treasurer when the latter was reduced to £904. The appointment is strictly a political one.

The Master of the Household—salary 1158

To this officer belongs actually the work which the Lord Steward is paid to perform nominally. In addition to the surveying of the accounts of the household in this department, he has full control over the whole of the domestic establishment of her Majesty—pays the wages, and inquires into all complaints of neglect or misconduct. The salary was formerly only £500, but has been considerably increased, until at the accession of her Majesty it was fixed at the present amount. The Master of the Household dines at the royal table.

The office of Secretary to the Master of the Household was created in 1838, and the situation is considered worth, including salary, board-wages, &c., about 300

The other officials in this department receive altogether, in salaries, a sum of 2620

Out of which the clerks, &c., of the Board of Green Cloth, are paid, by whom the whole of the accounts of the expenditure for the household in this department are kept. They comprise a secretary to the board, three clerks, secretary to the garden accounts, messenger, and a messenger to the Lord Steward. There is also a pay office connected with this department for the liquidation of the claims of tradesmen and others, in which there are a paymaster, (whose salary was £500 per annum,) a deputy, and an assistant. These situations are all in the patronage of the Lord Steward. The board itself, consisting of the Lord Steward, Treasurer, Comptroller, and Master of the Household, has the power of hearing and deciding on offences committed within the verge of the palace.

The amount expended in the kitchen department, including the clerks of the kitchen's office, domestic servants in the ewry, wine and beer cellars, kitchens, confectionery, pastry, table deckers, &c., is £9983

In the office of the kitchen department there are the following clerks, viz.,—Clerk Comptroller of the Kitchen, first, second, third, and fourth clerks, and a messenger. The present Clerk Comptroller has a salary of £700, his predecessor having been in the receipt of £500, and in George the Third's time it was only £300. He is considered the "working man" for the Master of the Household, and has great power over the members of the establishment. He always attends during her Majesty's dinners, and makes himself "generally useful" on such occasions. The four clerks, whose salaries are from £70 to £250 per annum, keep all the accounts, check the weights, &c., of all articles received from tradesmen, and issue the orders to these parties. The messenger's wages are about £70 per annum. The appointments are all in the gift of the Lord Steward.

The Kitchen Staff consists of a chief cook, with a salary of about £700; three master cooks, receiving about half, or £350 each, and having the privilege of taking apprentices, with a premium of £150 to £200 receivable from each.

Two Yeomen of the Kitchen, two roasting cooks, two larders and storers, a storekeeper, two green-office men, three kitchen maids, and two men to superintend the steam apparatus, with wages and salaries ranging from £26 to £175 per annum.

In the Confectionery Department there is a First Yeomanry Confectioner, with a salary of 300*l.*; a second ditto, 250*l.*; an errand man, 80*l.*, and three female assistants; also, a chief Pastry Cook, 250*l.*, with one male and two female assistants. A Baker and his assistant, with wages from 50*l.* to 65*l.* a-year.

In the Wine and Beer Cellars' department, there is a gentleman of the wine and beer cellars, receiving a salary of 500*l.*, whose duty it is to select and purchase all the wines for her Majesty's table, to superintend the decanting and sending up of the wines required, besides undertaking the whole supervision of the department. There are, in addition, two yeomen of the wine and beer cellars, receiving each 150*l.*, and a groom, at a salary of 80*l.*

The duty of the table deckers is to superintend the arrangement of her Majesty's table, placing everything in order previous to the serving of dinner. There are three of them, with an assistant and a wax fitter.—Their salaries average as follows:—First table decker, 200*l.*; second do., 150*l.*; third ditto, 90*l.*; assistant, ditto, 52*l.*; wax fitter, 52*l.*

There are also in the ewry, a yeoman and first and second female assistant, who have the charge of all linen belonging to the Lord Steward's department. The persons filling these offices receive but small salaries, and are generally selected from those filling more subordinate situations in the household.

The three yeomen of the pantry have the care of the whole of the Queen's plate, estimated to be worth two millions sterling. Their salaries are,—First yeoman, 160*l.*; second ditto, 150*l.*; third ditto, 120*l.* a-year, and, in addition, board wages and lodging money. The first yeoman also has the gratuities given by persons who have the privilege of inspecting the Queen's plate.

There are also seven assistants and a groom belonging to the gold and silver pantries for washing and cleansing the plate, with salaries of about a guinea a-week each.

The situations in all these departments are in the appointment of the Lord Steward, who enjoys thus a most extensive patronage.

In the Steward's room there are a yeoman, with a salary of about £100, and five assistants, at about £60 a year each. They have the charge of all the plate and linen required for the Steward's room, they lay the table for all meals, wash glasses, &c.

In the servants'-hall, there is an usher of the hall, with a salary of £90 a year, whose duty it is to keep a correct return of the numbers dining daily in the hall, to be furnished to the clerk of the kitchen. He has two assistants receiving a guinea a-week each, who prepare the tables for servants' meals, clean knives, &c.

The State Porters consist of a sergeant porter, salary £150; five yeomen porters, £60 each; and four under porters, with salaries of £50 each.

Their services are only required on State occasions, when they attend on the passages, and on the staircases leading to the State apartments. They have neither table nor rooms provided for them in the Palace.

There are also Gentlemen Porters, whose periods of attendance at the Palace, where the court resides, are one week on and one week off duty. They wait from eight in the morning until nine o'clock at night. They consist of a first gentleman porter, first and second yeomen porters, three groom porters, an assistant porter, with salaries ranging from £150 to £190 a-year.

Besides these, there are the following subordinate officers in the domestic department:—Five night porters, who attend from nine o'clock at night until eight the next morning, receiving a guinea each and their food. Four night watchmen at the same salary, and in attendance at the same hours in the grand hall and other entrances of the Palace.

Two lamplighters and seven assistants to attend exclusively to the lamps in the royal residence.

The first lamplighter's salary is about £100 a-year, besides an allowance for board wages and lodging money.

Two coal porters and ten assistant porters, whose duty it is to see to the correct delivery of all coals sent in by the merchants, and to keep up a supply from the cellars, for all the rooms in the royal residence. Also, to attend to the loading and unloading of carriages belonging to the Queen or her visitors.

All the above situations are in the gift of the Lord Steward, but in some cases the Master of the household or clerk of the kitchen recommends.

We meet in the Lord Steward's department with two of those rarities about Court—honorary offices without salaries. One of these is

The Hereditary Grand Almoner, an office instituted in the reign of Richard I. At a coronation, he distributes alms to the poor, which are collected in a dish of silver. The silver dish and a linen napkin, he claims as his fee of office.

The other office is that of Lord High Almoner, whose duty it is to superintend the distribution of the Royal alms on Maunday-Thursday, and upon other similar charitable occasions.

As some compensation, however, he has the patronage of the office of Sub-Almoner, to which an annual salary of £79 11s. 8d. is attached. The duties of this office are simply to assist the High Almoner in the distribution of her Majesty's benevolence to the poor on Maunday-Thursday, and twice a-year at the office in Scotland-yard.

There is, in addition to this apparatus for alms-giving, a Secretary to the Lord High Almoner and a Yeoman. These two offices are now filled by the same person, who receives a salary of £350 a-year; and his duty is to be *present* at the distribution of the Royal alms.

The Court of the Marshalsea of the Queen's House costs . . . £1924

It consists of a Knight Marshal, with a salary of £500; eight Marshalsmen, whose situations are worth above £100 per annum; a Steward, and a Clerk of the Court.

This Court was instituted in the reign of Henry VIII. "to administer justice between the King's domestic servants, that they might not be drawn into other courts, and thereby the King lose their services." The Lord Steward is judge of this court, and his jurisdiction extends to all places within twelve miles of Whitehall.

The duties of the Marshalmen are to attend at the entrance of the House of Lords when the House is sitting, and also at all levees, drawing-rooms, &c., at St. James's Palace. These appointments are in the gift of the Lord Steward.

The salary of the Ranger of Windsor Home Park is defrayed by this department. The office is in the gift of her Majesty, and was by her conferred on the Prince Consort, who, besides the salary attached to it of £500 a-year, derives no inconsiderable profit from the privilege of turning out to graze, in the park, a certain number of sheep, cattle, &c. This is one of the sinecure appointments which, it may be presumed, his Royal Highness would, for the sake of the principle involved, be ready at any time to relinquish, if a general revision of public expenditure were carried out.

There is a Deputy-Ranger, with a salary of £400 a year, and a lodge for his residence.

In this department the following payments are also made:—

For Superannuations, Bounties, and Retired Allowance	£6320
Allowances in lieu of Table-money	1676
And under the somewhat undeterminate head of "Other Charges," a sum of	4557

Master of the Horse's department.

The Master of the Horse receives a salary of 2500

The appointment is entirely a political one, as it invariably changes hands on the accession of a new Administration. The first of these functionaries was appointed by Henry VIII. He has the sole charge of her Majesty's stables and horses, and control over her Majesty's equeries and pages of honour, footmen, grooms, and all tradesmen employed in the Royal Stables. He has also the privilege of applying to his own use one coachman, four footmen, and six grooms, in the Queen's pay, and wearing her Majesty's livery. This privilege has never been waived by any Master of the Horse, and some of them have rather exceeded the prescribed number; thus saving in wages to their servants no less than between £600 and £700 a-year.

The salary has greatly varied within the last 60 or 70 years. In 1780, £1,266 13s. 4d., and this was continued up to the regency. In the reign of George IV it was increased to £3,350 per annum. The Select Committee of the House of Commons recommended that it should be reduced to £2,500, at which it still remains, being £500 a-year more than the amount recommended by the same Committee to be paid to the Lord Chamberlain and Lord Steward, whose duties are certainly quite as arduous as those of this officer.

Chief Equerry and Clerk Marshal, with a salary of	1000
Four Equeries in Ordinary, receiving each £750 per annum, or	3000

These salaries have been more than doubled since the reign of George III. That of Chief Equerry was formerly £500, and those of the Equeries in ordinary £300.

The duties of these officers are, that one of them shall be always in waiting on her Majesty. He remains in attendance for twenty-eight days, and is then relieved by the next equerry in rotation. He communicates her Majesty's commands to the Clerk of the Stables, relative to the horses and carriages which may be required for the Queen's airings, journeys, &c., and is required to be in attendance on such occasions. The Clerk Marshal, who, previous to the year 1800, was a distinct officer from the Chief Equerry, has to swear in all persons in this department, upon sight of the warrant to that effect from the Master of the Horse. Up to the death of William IV. there were fees payable to this officer on the warrant, and on being sworn into office which amounted to about £12 for

each person. At that time Major-General Sir Andrew Barnard, who was then Clerk Marshal, very handsomely gave up all the fees to which he was entitled, by virtue of his office; and his successor computed that he lost, by this new regulation, some hundreds of pounds per annum, as on the accession of a new Sovereign, all persons in the Royal Household must have fresh warrants, and be sworn in again to their respective offices. The equerries when on duty at the Palace dine at the Royal table. The appointments are considered political; that is, the holders generally retire on each change of Administration.

Four Pages of Honour, receiving £120 each, per annum . . . £480

These appointments are always anxiously sought after by members of the aristocracy, from the circumstance of their invariably leading to a commission in one of the Household Regiments of Foot Guards, without purchase. These commissions are generally given to the youths after they have held the situation of Page of Honour for three or four years; and thus the sons of some of the most wealthy families in the kingdom are enabled to obtain commissions in the army gratuitously. The services of the Pages of Honour are only called into requisition at levees and drawing-rooms, and on her Majesty going to open or close the session of Parliament. They then hold the Sovereign's train.

The Official Staff connected with the stables, receiving in all . . . 2545

Consists of a Secretary to the Master of the Horse and Clerk of the Stables, who has a salary of upwards of £600 a-year, with a residence at the Royal Mews, Pimlico, and superintends all the business details of this department; a second clerk, with a liberal salary of £400 and a residence; also three assistant clerks, an inspector of the stables, and a veterinary surgeon, receiving between them £600 per annum. There are, in addition, two sinecure offices, one of them equerry of the Crown stables, which is now held by the Prince Consort's Riding Master, and the other her Majesty's Lady Rider, who is a daughter of the last named functionary. The joint salaries amount to £445. The Master of the Horse has the patronage of all these situations.

The Domestic Establishment of her Majesty in this department receives, in wages . . . 12563

It consists of coachmen, postillions, helpers, grooms, porters, footmen, and other domestic servants.

There are fifteen footmen, and a sergeant footman, receiving formerly £110 to £120 per annum, but since the considerable reductions in this department, which were made in 1844, the salaries range only from £50 to £80. The sergeant footman has £132 a-year.

There are twelve coachmen, with salaries of from £60 to £130 according to seniority.

There are upwards of twenty grooms; their salaries were formerly £80 to £95 a-year, but have been curtailed to £60 and £70

The helpers in the Royal stables number more than fifty, at weekly wages of from 16s. to 20s. All these domestics have lodging provided for them in the Royal Mews, but are required to keep themselves.

The superannuation and retired allowances in this department amount to . . . 2766

And under the unknown item of "other charges" there is an amount of . . . 1116

In this department, also, is included the sinecure office of the Master of the Buckhounds, with a salary of . . . 1700

The appointment is a political one, and might, with great propriety, be dealt with in the same way as a kindred sinecure, the Mastership of the Stag Hounds, which was abolished in 1782. The expenses of this establishment (which can conduce neither to the comfort of her Majesty nor to the dignity of the crown) average, independently of the Master's salary, from £6,000 to £7,000 per annum. It includes a huntsman, three whippers-in, two feeders, and a first and second groom, with liberal salaries, who have also residences provided for them.

With the Master of the Buck Hounds may be classed the Hereditary Grand Falconer, in the enjoyment of a salary of . . . £1200

As her Majesty possesses not a single hawk, this is clearly a case in which the recipient (the Duke of St. Albans) might return the whole of the salary to the Chancellor of the Exchequer, as conscience money.

When the Duke of St. Albans adopts this patriotic course, it may possibly induce Mr. George Edward Anson to follow his example, who, as the keeper of her Majesty's Privy Purse, receives out of it a salary of £2,000 a year, for doing little more, it is believed, than signing a few cheques, occasionally, upon Messrs. Coutts, her Majesty's bankers. Such a result may be the more expected, as this gentleman (in addition to the influence and patronage he possesses in the Royal establishment) is treasurer to the Prince Consort, treasurer and cofferer to the Prince of Wales, a member of the Prince of Wales's Council, in the Duchy of Cornwall, and axe-bearer and master of the game at Needwood Forest, in the Duchy of Lancaster. Mrs. Anson also holding the sinecure appointment of Woman of the Bedchamber. Out of the Privy Purse Major-General Sir H. Wheatley, the former keeper, appointed by his late Majesty, has a pension of £1,000 per annum, and apartments at St. James's, conferred on him, in order that he might make way for Mr. Anson.

There is also a Secretary to the Privy Purse, at a liberal salary; so that even on the sum set apart for her Majesty's private expenditure, considerable encroachments, it appears, are made by the insatiable demands of office-holders.

This enumeration includes the salaries paid out of the Civil List. Of the remaining expenditure, including the tradesmen's bills, no details are accessible since the demise of his late Majesty, when the heads of the several departments were required to furnish the Government of the day with full particulars of expenditure for the year ending December 30, 1836, which, for that year, amounted, as follows, to £174,048. The estimates in the same department for the present reign were then fixed at £172,500, as given at the commencement of this section.

Lord Chamberlain's Department—1836.

Upholsterers and Cabinet-makers	£11381	<i>Brought forward</i>	£25,098
Joiners and blind-makers	1038	Modellers and Floor-chalkers	137
Carpet manufacturers	225	Washing	3014
Turners, Mat-layers, & Floor-cloth manufacturers	690	Dyers	74
Locksmiths, Ironmongers, and Armourers	4119	Soap	479
Clock-makers and Opticians	895	Chimney-sweepers	150
Piano forte makers and Organ builders	356	Surgeons, Apothecaries, Chemists, &c.	1957
Ormolu-restorers, Carvers, & Gilders	391	Artists, Decorators, & Herald-painters	400
Japanners	654	Mason, Plumber, and Glazier	13
Lamp & Lustre manufacturers	268	Allowances in lieu of apartments and lodgings, hire of houses, disbursements in the Lord Chamberlain's office, the several house-keepers, extra housemaids, char-woman, rates, and taxes	4631
Plate glass men	26	Sundry payments for removing & cleaning pictures, cleaning the Chapel Royal, pages' and other travelling expenses, discharged chapel boys, &c.	1365
China-men	201	Allowances to the yeomen and wardens of the tower, chapel boys, watermen, &c. in lieu of clothing, superannuated and exempt yeomen	1578
Paper Hangers	898	Messengers' bills	2997
Silk-mercers	16		
Linen-drapers	1962		
Woollen-drapers	348		
Furniture-printers	12		
Sempstress	284		
Tailors	25		
Hatters	14		
Hosiers and Glovers	97		
Stationers, Booksellers, and Engravers	1080		
Card-makers	118		
		<i>Carried forward</i>	£25,098
		<i>Net expenses</i>	£41,893

Lord Steward's Department.—1836.

Bread	£2050	<i>Brought forward.</i>	£54,734
Butter, bacon, cheese, and eggs	4976	Turnery	376
Milk and cream.	1478	Braziery	890
Butchers' meat.	9472	China, Glass, &c.	1328
Poultry	3633	Linen	1085
Fish.	1979	Washing table-linen	3130
Grocery.	4644	Plate	355
Oilery.	1793	The Royal Gardens	10,569
Fruit and confectionery.	1741	Maunday expenses	276
Vegetables.	478	Royal yachts	45
Wines	4850	Board wages	3615
Liqueurs, &c.. . . .	1843	Travelling expenses	1050
Ale and Beer.	2811	Allowances for beer, bread, &c.	764
Wax Candles	1977	Extra servants, hired persons, &c.	3646
Tallow candles	679	Board wages to the Yeomen of the Guard	2230
Lamps	4660	Compensations	1244
Fuel	6846	Sundries and disbursements.	4719
Stationery	824		
<i>Carried Forward</i>	£54,734	<i>Net expenses.</i>	£92,650

Master of the Horse's Department—1836

Liveries	£6208	<i>Brought forward.</i>	£23,518
Forage	5308	Allowance for lodging	590
Farriery	1012	Sundry other small expenses.	2822
Horses	3345	Travelling expenses and disburse- ments	1846
Carriages.	4125	Post-horses	1402
Harness and saddlery	1144	King's plates.	2310
Bits and Spurs.	30	Stud bills	546
Whips	46	Hunt bills	5000
Lamps, gas-lights, &c.	642		
Coals and wood	954		
Stationery	48		
Turnery articles	176	Deduct proceeds of useless horses sold	38,734 529
Candles, soap, and washing	298		
Ironmongery	182	<i>Net expenses</i>	38,205
<i>Carried forward</i>	23,518		

Master of the Robes' Department—1836.

Expenses during the year 1836	£1,880
<i>Total</i>	£174,084

No unprejudiced man, in reading the details above given, can come to any other conclusion than that a large proportion of the public money thus expended, conduces, in not the slightest degree, either to the personal comfort of the Sovereign or the dignity of the Crown. At the time of their original institution, many of these offices and ceremonies had a species of reality about them in keeping with the feudal barbarism of the age, and significantly enough it may be, in the eyes of the uneducated mass, of the "divinity" that seemed to them to "hedge in a king;" but, with the spread of a higher degree of knowledge and refinement, it must be owned that these remnants of a decayed feudalism appear sufficiently absurd, and would, probably, have gone out with other kindred mummeries which the good sense of this nineteenth century has extinguished, had it not been that, under cover of an antiquated and unmeaning pageantry, many branches of the aristocracy and their needy dependents have been enabled to quarter themselves on the public purse. It will be seen that a large share of the money annually voted by Parliament towards defraying the charges of the Civil List, is expended on sinecure functionaries, and in keeping up cumbersome forms and practices which would certainly be more honored in the breach than in the observance. A still larger amount is expended on over-paid officials, whose numbers might be considerably reduced without in the least detracting from what some might consider the becoming pomp and ceremonial of a Court. By that means there would result not only a curtailment in the amount paid for salaries, but a still more considerable saving in the tradesmen's department of the Royal Household, the cost of which is probably increased four-fold beyond what would be neces-

sary for her Majesty's personal comfort and gratification, by the constant and lavish expenditure of these hangers on about Court, during the periods of their nominal service.

Without committing themselves to any particulars of possible reductions in the expenditure of the Civil List, a task which might perhaps be better left to those to whom the administration of the national affairs is confided,—the Financial Reform Association would content themselves by indicating the course which an honest and truly patriotic Government ought to follow, in dealing with this question. They are more than ever confirmed in the correctness of the estimate ventured on at the commencement of this enquiry, that an annual vote of £200,000 would be amply sufficient to maintain the dignity of the Crown, and the honour of the nation; a sum which, in a future reign, might probably be reduced still further, and yet leave the Sovereign in possession of every thing that could contribute to personal gratification or official dignity.

It may be considered by some that any interference with the expenditure of the Crown is an act of virtual disloyalty to the reigning monarch, and proceeds either from feelings of envy, or from a desire to see this important office shorn of its long-possessed lustre. To such objectors we would commend a consideration of the following question:—Who are the real recipients of this parliamentary grant of £385,000? Is it the Sovereign, who is allowed out of it £60,000 for her Privy Purse, and the expenses of her domestic establishment besides; or are they the numerous relatives, friends, political connexions, and dependents of that section of the aristocracy which happens, for the time being, to command a Parliamentary majority? Can it be doubted that pay and patronage are the main reasons why so vigorous an outcry is kept up in certain quarters against any interference with established abuses? If it be right that these honorary offices and services should still be retained about Court, why should not the holders of them be satisfied with the honour, apart from the emoluments? Why should not the Lord Steward and the Master of the Horse, with countless others of the official tribe, be put in the like category with the Lord High Almoner, and the Hereditary Grand Marshal, who kept up their country's dignity gratuitously? Those who delight to bask in the sunshine of court favour, should find in the privilege of so doing their sole reward. They do not in any way serve the public, and, therefore, the public ought not to be taxed for their maintenance.

The Association, far from wishing to impair the respect due to the highest authority of the realm, or to render contemptible in the eyes of other nations a station so worthily filled by its present occupant, desire rather to exalt it higher in public estimation, by lopping off the unsightly excrescences with which the rapacity and selfishness of past times have disfigured the office, so that it may stand forth to the admiration of a contented and loyal people, not only the source of all honour, but the embodiment of all justice, and the patron of all excellence!!!

The objects of the Financial Reform Association are—

- 1st.—To use all lawful and constitutional means of inducing the most rigid economy in the expenditure of the Government, consistent with due efficiency in the several departments of the public service.
- 2nd.—To advocate the adoption of a simple and equitable system of direct taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensively collected duties upon commodities.

Political partisanship is distinctly disavowed, the Association being composed of men of all political parties.

Subscription 10s., and upwards, per annum.

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FINANCIAL REFORM TRACTS.

No. 2.

PENSION LIST.

[SECOND EDITION.]

THE FINANCIAL REFORM ASSOCIATION, in their first tract, explained the present dangerous and disgraceful position of the National finances, and showed that a prompt and unsparing retrenchment in the National expenditure is not only called for by prudence and justice, but is absolutely necessary for the security of the State.

They respectfully suggested the propriety of a considerable reduction in the allowance to her most Gracious Majesty the Queen, and they now declare, on the same grounds, the justness of, and urgent necessity for, similar curtailments in the allowances to the different branches of the Royal Family.

With respect, however, to the sums annually voted to the King of Hanover and the King of the Belgians, they feel it their duty most earnestly to protest against all such allowances to Foreign Potentates out of the National revenues, maintaining that payments of this kind directly violate the clearest principles of right and policy. It is not just to tax the inhabitants of one nation for the support of the Government, or any part of the Government, of another. Nor is it politic to place any portion of our National funds at the disposal of a foreign ruler, since it may, at any time, be his interest (or possibly even his duty towards the State which he governs) to use such moneys to the detriment of this country. The policy of such grants has been defended on account of a supposed favourable influence at foreign Courts, which they may tend to establish. But it is derogatory to the honour of the Royal recipients to imagine that they can, either directly or indirectly, be bribed to sacrifice the interests of the countries over which they rule; and it is manifestly absurd to conceive that the mighty empire of Britain can only sustain her influence by being guilty of corruption. It must be alike repugnant to the feelings of the inhabitants of the country receiving, and the country paying, these degrading allowances.

SECTION II.

BRANCHES OF THE ROYAL FAMILY.	Present allowance.	Proposed future allowance.
H.R.H. the Duke of Cumberland, now King of Hanover	£ 21,000	£ Nil.
H.R.H. Prince of Saxe Coburg, now King of the Belgians	50,000	Nil.
H.R.H. the Duke of Cambridge	27,000	15,000
H.R.H. the Duchess of Gloucester	16,000	10,000
H.R.H. the Duchess of Kent	30,000	15,000
H.R.H. Prince Albert of Saxe Coburg and Gotha	30,000	20,000
H.M. Adelaide, the Queen Dowager	100,000	50,000

In addition to the large amount so lavishly granted by the Legislature to the Consort of the Sovereign, he holds the rank, and enjoys the emoluments of,

Field-Marshal in the Army, Colonel of the 3rd Regiment of Foot Guards, Constable of Windsor Castle, Ranger of Windsor Park, and Lord Warden of the Stannaries, which offices, it is computed, add at least one-fourth to his original allowance. Many similar offices are held by the Duke of Cambridge. The Association are of opinion that it is a most injurious system, thus to give inordinate patronage and power to a few individuals, and heap upon them offices which might well be bestowed (if at all necessary, though the fact that one person can hold so many offices is almost a sufficient proof that they are sinecures), upon meritorious officers who are otherwise rewarded, at an additional expense to the nation. These appointments are a virtual breach of contract with the Legislature, as they are a means of indirectly increasing those allowances which Parliament has already settled.

There is ample room for retrenchment in the enormous sums annually misappropriated to the recipients of unearned pensions; but before commencing an analysis of the Pension List, they must first animadvert upon the unsystematic, confused, and unbusiness-like method of keeping the Government accounts. In some places the most trivial details of petty amounts are given, while in others a single line conveys all the explanation vouchsafed concerning an expenditure of thousands. The different offices keep separate accounts, and the pensions are scattered among them without any apparent system or rule, the same individual sometimes receiving distinct pensions out of different funds. The first reform should be, to give the nation, annually, a clear and systematic Dr. and Cr. account of the whole governmental income and expenditure. The total gross income, from all sources, should be annually accounted for; nor should a farthing be expended without the authority of Parliament.

The public hear of the Pension List, and naturally think that a straightforward list of pensioners is published by the Government; but so far is this from being the case, it is with the greatest difficulty that any approximate idea of the total amount of pensions can be obtained. Pensions are taken from almost every Government fund in its progress to the Exchequer, though the full particulars are not revealed in the finance accounts. There are also the Civil List pensions of England, the Civil List pensions of Ireland, the pensions charged on the hereditary revenues of Scotland, and the pensions charged on the $\frac{4}{5}$ per cent. duties.

When speaking of the Pension List, the military and naval pensions for wounds, long service, &c., are not included, because it is considered that they are completely different in kind from the others; and that those who engage in the military and naval services, and thereby peril life, limb, and health, are entitled to some systematic provision against indigence for their old age or infirmity, and, in case of death, for the support of their widows and children.

The Association will now explain their conception of the principles which should regulate the bestowal and duration of pensions. All pensions should be the free gifts of a nation's gratitude bestowed upon those who, by word or deed, perform some extraordinary service to the community. The discharge of the ordinary duties of any office is compensated by the salary of that office; and a pension is not merited by merely doing that, the omission of which would have deserved punishment. Public services should be fairly and sufficiently remunerated at the time they are performed, so that those who receive the benefit may bear the expense; therefore, in each case, where an extraordinary reward is merited, the best plan would be to give that reward in a single sum, rather than in the form of an annual pension. When the signal-service which merits a pension is performed at the cost of the individual's life, the nation should provide for his widow and children; and when one who has merited and obtained a pension has, *owing to his devotion to his country*, left his family in poverty, the pension may rightfully descend to his children, but in no case should it descend further. If the service be great, the amount of the pension should be correspondingly large; but under no circumstances should its duration be extended beyond the children of the individual upon whom it was originally conferred.

So long, however, as pensions are in the gift of the executive department of the Government, they are extremely liable to be perverted to personal and party

purposes; and the Association regret to say that a careful investigation of the subject has led to the conviction that pensions have, for centuries, been granted with most reckless and reprehensible profusion; that many of them are the hereditary relics of ancient abuses, and others the fruits of personal favouritism and political profligacy; while the true national benefactors have been almost altogether neglected.

The pensions granted by Royal patents were originally paid by the Sovereign out of the hereditary revenues of the Crown. As the subject of these revenues will be more fully treated of hereafter, it is sufficient now to observe, that the expenses of maintaining the executive Government, inclusive of the personal expenses of the Sovereign, were formerly defrayed out of them; but even if they were intended for the maintenance of Royalty alone, it is evident that the Sovereign, for the time being, could only have had a life interest in them, by virtue of his office; and, therefore, all pensions bestowed out of them ought to have ceased at the demise of the grantors. This principle has been acted upon in the resumption of Crown gifts, which have repeatedly taken place, but unfortunately, it has not been regularly enforced.

The Financial Reform Association are of opinion that the proper method of putting a stop to the gross abuses of the pension-system would be by an Act of Parliament being forthwith passed, abolishing all pensions granted before the reign of her present Majesty, and placing the power of granting all future pensions in the hands of the House of Commons, whose first duty would be to examine the claims of all those who may seek for re-grants of those abolished. A pension cannot be properly considered as a national gift, unless bestowed by the national representatives; for this reason the power of granting them should be confined to the House of Commons. Parliament has lately limited the power of granting one particular branch of new pensions to a maximum of £1,200 annually; but this is only a limit to misapplication, and not a preventive.

It has been asserted by some that it would be immoral, by others that it would be impolitic, to abolish pensions granted by Royal patent or by Act of Parliament. Both these assertions will be best answered by examining an individual pension rather than by vaguely generalising about abstractions. To commence with the first on the list, the following were the circumstances under which it was granted:—A profligate monarch, disregarding the high and solemn duties of his office, lived a life of licentious debauchery. He had numerous illegitimate children, upon three of whom he bestowed ducal titles, and to enable them to support their pseudo dignity, he abused his sacred trust, and misappropriated to their use a portion of the public moneys which were paid to him by his subjects to defray the necessary expenses of the Government of the kingdom. Nor did he content himself with burdening the nation with their maintenance for one, or even two, generations; he declared that the Duke of Grafton and his heirs *for ever* should receive about £7,000 a-year from the Excise revenue, and about £3,000 a-year from the Post-office revenue. Many generations have since succeeded each other, but no Duke of Grafton has yet arisen with sufficient honour or patriotism to refuse to profit by the wickedness of his ancestors, and to reject money taken, without requital, from the honest earnings of the industrious poor; and the question is, whether, in order to pay this disgraceful pension, the sum of ten thousand pounds is to be yearly wrung from an over-taxed people *for ever*. Although it is perfectly right for the State to levy a contribution upon its subjects for the real maintenance of the Government, it is palpably unjust that money which a man has honestly earned should be taken out of his pocket, and given to another who has done nothing for it. If the principle were admitted that the abolition of unmerited pensions is a breach of public faith, it would bind the country to maintain every monopoly or other unjust privilege ever granted; since, in both cases, a pecuniary gain is wrongfully realized by individuals at the public expense, under the sanction of a Royal patent, or of an Act of Parliament. It is incomprehensible why it should be considered a breach of faith to abolish the one, and an act of public justice to abolish the other. The objectionable pensions granted by Acts of parliament originated from a breach of trust on the part of the appointed guardians of the public purse, and the Association cannot admit that the people are to suffer in

perpetuity for the fault or fraud of their trustees. Any attempt to fix a personal liability upon an individual on such grounds would, of course, fail; and why a rule, which no one in his private capacity would tolerate for a moment, should hold good against the public, let those who support it explain. The idea that it is impolitic to extinguish these pensions is founded upon an impression that such a course would tend to weaken the security of the rights of property. But in the opinion of this Association, these rights do not stand upon such rotten foundations that the extinction of unjust payments can endanger their stability. The natural sense of justice, which is outraged by the existence of unearned pensions, is one of the strongest bulwarks of the rights of property. The impolicy of holding sacred all financial abuses which can find refuge beneath old patents or Acts of Parliament is apparent, for this doctrine would inevitably cause a revolution in course of time, as the only possible remedy for the unendurable accumulated wrongs of centuries. No political dogma, in short, can be more false or more dangerous than this,—that to maintain rights it is necessary to uphold wrongs.

SECTION III.—THE PENSION LIST.

PENSIONS TAKEN OUT OF THE POST-OFFICE AND EXCISE REVENUES IN THEIR PROGRESS TO THE EXCHEQUER.

NAME.	Present Amount.	Proposed future Amount.
	£	
Duke of Grafton	10598	Nil.
Duke of Marlborough.....	4000	Nil.
Heirs of Duke Schomberg.....	2900	Nil.
Earl Cowper	1595	Nil.
Assignees of late Charles Boone, moiety of Earl Bath's pension	1200	Nil.

These pensions have all descended several generations, and neither the present recipients nor their parents have done anything to deserve a pension.

With regard to the pensions for naval and military services, the Association must state (without expressing any opinion on the general question as to the justifiableness of war, or on the justness of the particular wars which originated these pensions,) that, so long as wars are entered into, they acknowledge the propriety of conferring honourable rewards for distinguished naval and military services; but they consider that the practice of creating peerages in these cases is one of most questionable policy. The possession of a certain amount of wealth appears to be considered necessary to support the dignity of a title; and, though a title granted to a distinguished commander is generally accompanied by a pension, which supplies the requisite wealth to the first Peer, the peerage being hereditary, the pension is too apt to become so likewise; and thus the descendants of a great man are degraded into a race of State paupers. A man may possess a great genius for war, and yet be a very inefficient legislator; nevertheless, if a seat in the Legislature be esteemed an appropriate honour for victorious naval and military commanders, there is no reason why such a peerage should not resemble those held by the Bishops, which terminate with their lives.

It has been stated that cases are possible in which a pension's descent to the children of the original grantee might be defensible; but in such cases it ought to be equally divided among them, and not monopolized by the eldest son, as it now is, when attached to an hereditary title.

The Association regret to observe that there has always been an excessive disproportion between the military and naval pensions given to the fortunate survivors, and those granted to the widows and children of equally gallant men who have fallen in battle.

In accordance with the principles previously explained, whenever the present recipient is neither the original grantee or his son, the pension is proposed to be struck off. As for those which remain, the propriety, in each instance, of the pension's descent has not been very strictly investigated, nor has the amount been narrowly weighed, although possibly, in some cases, it is disproportionately large; for the Association would rather err here on the side of liberality, as they feel that they are now dealing with one of the purest parts of the Pension List.

PENSIONS FOR NAVAL AND MILITARY SERVICES.

NAME.	Present Amount.	Proposed future Amount.
	£	£
Lord Rodney, (grandson of Admiral Rodney, but fifth Peer).....	1000	Nil.
Dowager Lady Rodney, (widow of another grandson of Admiral Rodney) ..	1000	Nil.
Lord Abercromby, (grandson of General Abercromby)	2000	Nil.
Lord Amherst, (nephew of Lord Amherst, Commander-in-Chief)	3000	Nil.
Viscount St. Vincent, (nephew of Admiral Jervis)	3000	Nil.
Earl Nelson, (son of the nephew of Admiral Nelson)	2000	Nil.
Countess of Nelson, (present Earl's wife)	1000	Nil.
Dowager Countess of Nelson, (widow of the nephew of Admiral Nelson)	2000	Nil.
Lord Exmouth, (grandson of Admiral Viscount Exmouth)	2000	Nil.
Viscount Lake, (died 24th June, 1848, was son of General Lake)	2000	Nil.
Earl of Camperdown, (son of Admiral Duncan)	3000	3000
Lord Keane, (son of General Keane)	2000	2000
Hon. Sarah Collingwood, (daughter of Admiral Collingwood)	500	500
Duke of Wellington, (original grantee)	4000	4000
Lord Beresford (ditto)	2000	2000
Lord Combermere (ditto)	2000	2000
Lord Seaton (ditto)	2000	2000
Lord Gough (ditto)	1000	1000

Upon examination of the Acts of Parliament authorising the grant of pensions for civil, judicial, and diplomatic services, it will appear that some of them have given the Executive Government a general power of granting pensions to certain public officers, without consulting the House of Commons. One act, for instance, authorises six pensions of £3,000 per annum each to be granted to First Lords of the Treasury or Admiralty, Secretaries of State, or Chancellors of the Exchequer; three pensions of £2,000 per annum each to the Chief Secretary for Ireland or Secretary at War; six pensions of £1,500 per annum each to other secretaries; and six pensions of £1,000 per annum each to under secretaries. In the opinion of this Association, all these extravagant Acts should be immediately repealed, because the national representatives are shut out by them from all power of checking this branch of Ministerial prodigality; and because by these Acts the mere tenure of office is constituted a sufficient title to a pension; while they maintain that a pension to a public officer should be an unusual and additional reward for those exceptional cases, when unusual and additional services have been performed.

The system of retiring pensions is an indirect and discreditable method of augmenting salaries, which, *if too low*, should be openly and undisguisedly increased. The amounts of the different salaries, however, are stated below, so that the public may be enabled to form an opinion as to their sufficiency. Many of the officers are displaced upon each change of Administration, and as these changes are of frequent occurrence, these enormous undeserved retiring pensions form a heavy and increasing burden.

The diplomatic pensions are, in the opinion of this Association, all unmerited. These officers were very highly paid, and they none of them appear to have performed any extraordinary services. In many cases they were worse than useless, for they prevented the nation from reaping the natural advantage of its insular position, and involved England in needless expenses by drawing her into the whirlpool of continental politics.

The Association, after carefully considering the judicial pensions, have come to the conclusion that these officers are, in many important particulars, dissimilar from all others; and that they form a special case in which retiring pensions (being more of the nature, however, of superannuation allowances), are politic and defensible. But they conceive that the political and judicial duties of the Lord Chancellor should be divided, and a Speaker of the House of Lords appointed, at a reasonable salary (to be deducted from that now received by the Chancellor), and that the Lord Chancellor should be appointed for life like the other Judges. The ex-Chancellor formerly received a pension of £4,000 a-year; but in 1832 an extra and superfluous sum of £1,000 was added. The Financial Reform Association most earnestly and indignantly protest against the principle upon which that addition was grounded, as the Act states that the increase was given because the abolition of certain sinecure offices would deprive the Lord Chancellor of patronage. They maintain that this contains a most

dangerous fallacy as to the rights and duties of public officers, since it apparently assumes that official patronage is private property, which may be justifiably employed for personal gain.

The pensions now under consideration differ from any the abolition of which the Financial Reform Association have advocated in their previous remarks on the Pension List, inasmuch as these have been granted to the recipients for work done by them, while the former pensions were *inherited* by their present recipients. The Association maintain, however, that the following parties have been amply paid for their work, and that (excepting Sir H. Pottinger) they have performed no such extraordinary services as merit pensions. Under these circumstances they propose that these pensions (the judicial ones and Sir H. Pottinger's excepted) should be reduced one-tenth annually, so that, at the expiration of ten years, they would be at an end:—

PENSIONS FOR CIVIL, JUDICIAL, AND DIPLOMATIC SERVICES, AS TAKEN FROM THE PARLIAMENTARY FINANCE ACCOUNTS, FOR THE YEAR 1847.

NAME.	Present Amount.	Proposed future Amount.
	£	
Lord Bexley, Ex-Chancellor of the Exchequer, (salary £5000 per annum)...	3000	} Reduce one-tenth annually, and <i>nil</i> after ten years.
Lord Glenelg, Ex-Colonial Secretary, (salary £5000 per annum).....	2000	
Hon. Henry Goulburn, Ex-Chancellor of Exchequer, (salary £5000 per ann.)	2000	
Hon. S. R. Lushington	1500	
Hon. J. W. Croker, Ex-Secretary to Admiralty, (salary £3000 per annum)...	1500	
Hon. J. Planta, Ex-Secretary of Treasury, (salary £3500 per annum)	750	
Hon. H. Hobhouse, Ex-Under Secretary of State, (salary £1500 per annum), and is now Keeper of State Papers, (salary £600 per annum)	1000	
Sir George Clerk, Ex-Secretary of Treasury, (salary £2500 per annum)	1200	
Sir J. Barrow, Ex-Under Secretary of Admiralty, (salary £1500 per annum)	1000	
William Richard Hamilton, Esq.	1000	
R. W. Hay, Esq., Ex-Under Colonial Secretary, (salary £2000 per annum)...	1000	} Reduced one-tenth annually, and <i>nil</i> after ten years.
Sir Henry Pottinger, Plenipotentiary to China, (whose eminent skill and success were of extraordinary service to the nation)	1500	
Lord Brougham, Ex-Lord Chancellor	5000	
Lord Lyndhurst, Ex-Ditto	5000	
Sir Thomas Erskine, retired Judge	3500	
Sir J. B. Bosanquet, Ditto	3500	
Sir E. Sugden, Ex-Chancellor of Ireland	3692	
Dr. J. Hinchliffe, retired Judge of Vice Admiralty Court	1000	
Sir Robert Adair, Ex-Ambassador to Turkey (salary £7000)	2056	
Hon. Charles Arbuthnot Ditto Ditto (salary £7000)	2056	
Viscount Strangford, Ditto to Russia, (salary £9000)	2056	
Sir Edward Thornton, Envoy to Portugal, (salary £4400)	1786	
A. Cockburn, Esq., Minister to Wurtemberg, (salary £2200)	1516	
J. P. Morier, Esq., Ditto to Saxony, (salary £2300)	1516	
G. W. Chadd, Esq., Envoy to Prussia, (salary £8500)	1300	
B. Frere, Esq., Minister to Turkey	1066	
G. Hammond Esq., Ditto to the United States, (salary £5000)	1066	
Hon. H. Pierpoint, Envoy to Stockholm, (salary £3400)	1066	
E. J. Dawkins, Esq., Minister to Greece	786	
Hon. C. R. Vaughan, Ditto to United States, (salary £5000)	1300	
Hon. Sir A. Foster, Envoy to Turin, (salary £4100)	1300	
W. Turner, Esq., Minister to Columbia, (salary £1900)	900	
Lord Beanvale, Ambassador to Vienna, (salary £9000)	1700	
Lord Erskine, Envoy to Munich, (salary £3600)	1276	
H. Mandeville, Minister to Buenos Ayres, (salary £3800)	900	
Sir Arthur Ashton, Envoy to Madrid, (salary £6500)	700	
Lord Cowley, Ambassador to France, (salary £9000)	1413	
Lord Heytesbury, Ditto to Russia, (salary £9000)	2107	
Sir R. Gordon, Ditto to Vienna, (salary £9500)	1494	
H. Hamilton, Esq.	848	
Sir George Jackson	308.	
James Morier, Esq.	976	
Colin Mackenzie, Esq.	886	
A. S. Douglas, Esq.	706	
T. Hamilton, Esq.	706	
Earl of Orford	706	
E. P. Werry, Esq.	436	
Hon. J. Talbot	526	
Sir Henry Willoch	346	
Rev. Thomas Penrose	213	

The remaining pensions need little explanation; for the mere statement of them, as published in the Government accounts, would be sufficient to show the necessity for their abolition.

The pensions formerly on the Civil List ought to have terminated at the demise of the Royal grantors, for the reason previously stated. No details of

these pensions (although amounting to £90,000 per annum) are given in the Government finance accounts. The particulars may possibly be concealed from policy; but it is sounder policy to remove abuses than to endeavour to hide them.

A searching revision and purification of the Pension List is most pressingly needful at this time, to give contentment to the popular mind; for there can be no doubt that the present very general and deep-seated discontent, in part, arises from the fact, that one portion of the community is unjustly maintained in dishonourable affluence by unearned pensions paid out of the national revenue; while others are enduring severe privations, although honestly and manfully struggling to maintain themselves.

The Association cannot conclude without stating, that they have not advocated the abolition of a single pension, which, in their opinion, can be paid with justice to the nation, or with honour to the recipients.

MISCELLANEOUS PENSIONS TAKEN FROM THE PARLIAMENTARY FINANCE ACCOUNTS, FOR THE YEAR 1847.

NAME.	Present amount.	Proposed future amount.
	£	
Lord Colchester (for his father's services as Speaker of the House of Commons)	3000	}
Viscount Canterbury (for ditto)	3000	
The fathers of each of these pensioners received a salary of £5,000 per annum while working, and a retiring pension of £3,000 per annum for the rest of their lives; and now the sons get £3,000 per annum each, for life, without even a pretence of service of any kind.		
G. Penn (for William Penn's services in America a century and a half ago)	4000	}
Viscount Canning (for his father's services, who, when Chancellor of the Exchequer, received a salary of £5,000 per annum; and Viscount Canning himself, as Under-Secretary for Foreign Affairs, had a salary of £1,500 per annum).....	3000	
The Officers of late Levant Company and African Company (two absurd old monopolies, which, after being kept from bankruptcy by repeated Parliamentary grants, were at length abolished).....	758	}
The Officers of late Lottery Office and Exchequer (many of them sinecurists, and all of them well paid)	10,635	
S. Percival, late Teller of the Exchequer (sinecure).....	2700	}
H. Ellis, late Clerk of the Pells (sinecure).....	1400	
Servants of her late Majesty Queen Charlotte	3389	} Nil.
Ditto George III.	4414	
Ditto Queen Caroline.	412	
Pensioners formerly on the Civil List of their late Majesties George IV. and William IV. Hereditary revenues of Scotland and $4\frac{1}{2}$ per cent. duties	67,882	}
IRELAND—Pensioners formerly on Civil List	21,297	
Mrs. S. Hamilton and Mrs. A. Knipe	891	}
Baron Aylmer. (This pension was granted to his mother, not for any services to the nation, but because she was poor; and although he is an Admiral, he still accepts it)	551	
Prince of Mecklenburgh Strelitz (a foreign potentate, who married the daughter of the Duke of Cambridge)	1788	}
Annuities and compensations to sundry persons for loss of emoluments by the Union	5395	
Officers in the late Courts of Justice, Irish Treasury, &c.	26,311	}
Annuities granted by Acts	2756	
SCOTLAND—Sir Henry Jardine, late King's Remembrancer	1400	}
A. Longmore, late clerk to ditto	380	
Robert Viscount Melville, for loss of privilege of nominating the Sheriffs' Clerks in Scotland.....	1000	}
This pension is similar in principle to the Chancellor's for loss of patronage, and, for the same reason, should be abolished. Lord Melville also receives £2,775 per annum as Keeper of the Privy Seal of Scotland		

The Association can perceive no just ground for compensation allowances upon the abolition of useless offices.

They maintain, that as a public office can never become private property, the right of abolishing one when it has become useless ought not to be purchased by the nation from the servant who happens to fill it; and that the term of appointment can never form a just defence for these payments, since, from its very nature, it must necessarily depend upon the existence of the office, as well as the existence of the officer. The only justifiable motive for the formation or for the continuance of a public office is, of course, the advantage of the community, and not the benefit of the placeholder.

These compensations are essentially different in principle from superannuation allowances, as they were not earned by length of service, but obtained by the mere accident of holding a useless office when it was about to be abolished

Even if the office were not an absolute sinecure, its abolition cannot entitle the holder to a competence for the remainder of his life in return for possibly only a few years' or even months' service, for which he has already received ample remuneration in the shape of salary.

The Association have previously mentioned that on the abolition of certain offices, pensions have been granted for loss of patronage. The party holding the abolished office was pensioned for loss of office, and the party whose duty it was to make the appointment was pensioned for loss of patronage, thus causing an actual *increase* of the public burdens at the very moment when they were pretended to be lightened by the extinction of sinecures. Under the pretence of removing an abuse, its *name* merely has been changed, and another has been added.

These changes are not advocated from speculative reasons, nor to prevent some remote possibility of evil, but the nation is driven to them by the hard pressure of necessity. The commerce of the country is paralysed; and the classes *who support themselves* are consequently impoverished. Under these circumstances, and with a debt of above seven hundred millions, the weight of the accumulated burden of taxation is more than the nation can bear; and the load must be speedily and materially lightened, or it will inevitably be suddenly and most disastrously overthrown.

SECTION IV.

ANNUAL COMPENSATION ALLOWANCES FOR USELESS OFFICES ABOLISHED, AS TAKEN FROM A PARLIAMENTARY RETURN OF MARCH 21, 1848.

DEPARTMENTS.	Amt. payable Jan. 1, 1848.		DEPARTMENTS.	Amt. payable Jan. 1, 1848.
Treasury.....	3983	} Proposed future amount. Nil.	Paymaster Civil Services (Ireland)	685
Secretary of State, Foreign	422		National Debt Office	205
Ditto, Colonial	2544		Woods and Forests	2806
Chief Secretary for Ireland	2553		Stationery Office	95
Alien Office	1330		Convict Hulk Establishment	2360
Commander-in-Chief	225		Late Lottery Office	1254
Adjutant-General.....	159		Consuls abroad.....	6641
War Office.....	15,410		Miscellaneous Offices in Ireland (abolished) :—	
Late Army Pay Office.....	4130		Irish Treasury	1911
Officials of Chelsea Hospital	3171		Auditor-General's Office.....	2698
Ditto of Military College.....	1229		Messenger	49
Ditto of Ditto Asylum.....	132		Military Audit Office	1733
Army, Medical Department.....	725		Civil Ditto Ditto	793
Military Boards	125		Linen Board	1357
Late Muster Master-General	645		Allowance to late Secretary... ..	320
Ditto Agent-Gen. of Local Militia	1270		Board of Works	658
Ditto Compt. of Army Accounts	290		Lottery Officers	138
Miscellaneous Offices abolished ..	325		Compiler of the <i>Dublin Gazette</i> ..	1590
Quartermaster-General (Ireland)..	98		Seneschal of H. M. Manors	150
Officials of Kilmainham Hospital..	233		Escheator of Leinster	26
Army Medical Deptmt. (Ireland)	150		Constable of Dublin Castle	250
Yeomanry Brigade Majors	701		Ditto of Castlemaine	150
Late Board of General Officers....	92		State Physician	100
Miscellaneous	1052		Secretary, Kingstown Harbour..	80
Commissariat	3677		Receiver of First Fruits.....	244
Ordnance	12,417		Convict Hulk Establishment....	388
Admiralty	44,704		Miscellaneous Offices in Scotland (abolished). The separate amounts are not stated in the Parliamentary Return :—	
Navy Pay Office (abolished)	5234		Exchequer, Queen's Household, Keepers of Great and Privy Seals, Keeper of Register of Sasines, Office of Lord Register, Keeper of Signet, Director of the Chancery	3584
Paymaster-General's Office	6885			
Customs.....	24,661			
Excise.....	22,757			
Stamps and Taxes	24,747			
Post-office	3077			
Mint Scotland (sinecures abshed.)	540			
Audit Office	5353			
Exchequer.....	8910			

FINANCIAL REFORM ASSOCIATION,

North John-street, Liverpool, October, 1848.

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FINANCIAL REFORM TRACTS.

No. 3.

TAXATION.—PART I.

AMOUNT AND SOURCES OF TAXATION.

THE FINANCIAL REFORM ASSOCIATION come now to the most important part of their labours, embracing the amount of Taxation and the sources whence it is drawn.

The Association feel, however important such considerations undoubtedly are, that they cannot, in the present exposure of our taxation system, enter minutely into the injurious effects of indirect taxation on the general commerce of the country, and more especially on the employment of the masses. Such an analysis would require a separate and lengthy treatise on almost every individual tax, as may be illustrated by the numerous pamphlets which have been put forth, and the various associations which have from time to time been formed for the elucidation and modification, or the entire repeal of such taxes as the window duties, the malt tax, the tobacco duties, the tea duties, the wine duties, &c., &c. The Association, therefore, while they allude, in general terms, to these injurious results of the system, are more anxious to place prominently before the public its effect on the physical and social condition of the great bulk of the community, more especially on the industrious and labouring classes, believing, as they do, that the great social problem of the day is,—“How are the masses to be advanced in physical comforts and moral elevation?” The Association have no hesitation in answering,—“By an entire change in the mode of levying the taxes.”

Under the present system men pay taxes for leave to live—not merely for the preservation of their property, their liberty, and their persons, but literally for existence itself; as, if they refuse, or are unable to pay, the penalty is death, or the dragging out of a wretched existence on public charity, in public institutions, somewhat in their government

akin to our goals, and in their diet even below them, stamping poverty with the disgrace which should attach alone to crime.

The Association find, from Parliamentary returns, that the entire taxation of the country, for the year ending the 5th January, 1847, was as follows :—

“Gross amount of income,” (No. 792, Session 1847,)	£58,438,000
“Amounts received by departments of expenditure from other than Parliamentary grants or issues from the Exchequer,” (No. 98, Session 1848)	1,100,000
	<hr/>
	£59,538,000

Of the above amount of income, the Customs and Excise contributed £37,290,000. As this amount is a direct charge on articles of merchandise and trade, it becomes a constituent part of the first cost of those articles to the trader, who must put as much profit on this portion of their cost as on the original short or bonded price, which profit, spread over the number of vendors through whose hands the articles pass from the importer or manufacturer, as the case may be, to the consumer, may be fairly reckoned, and has been so stated by witnesses before Parliamentary committees to be, 25 per cent., thus adding to the original amount of taxation, so far as the tax-payer is concerned. . . . £9,324,000

Making the gross amount of taxation paid by the public in the year ending 5th January, 1847, no less than	<hr/>
	£68,862,000

This enormous sum averages upwards of £5,738,000 per month, a sum far larger than the monthly railway calls have ever averaged throughout one year, and to which such direful effects on our monetary, commercial, and social systems have been attributed. If these ruinous effects are justly attributable to the railway calls, the Association would suggest how much of ruin and commercial embarrassment and physical privation are attributable to this amount of taxation, far outweighing these monthly calls for railways?

The Association would here call attention to the practice, which cannot be too severely reprehended, of “Departments of Expenditure receiving income from other sources than Parliamentary grants or issues from the Exchequer;” as well as of the revenue departments detaining “Amounts *not* paid into the Exchequer, but deducted for costs of collection, or *any other purpose*, from the gross receipts.” Such a practice is a virtual withdrawing of so much of the public taxes from the control of Parliament; and, notwithstanding it has been repeatedly condemned by select committees of the House of Commons, it has been continued up to the late session, in which, however, Dr. Bowring succeeded, much to the annoyance of the present Government, in passing a resolution, in spite of them, that henceforth all moneys shall be paid into the Exchequer, and no payments made therefrom but with the sanction of Parliament. How this resolution will be carried out remains to be seen.

Certain it is that the amount is no trifle, being, according to the return quoted before, (No. 98, Sess. 1848,) no less than £7,004,438, or more than one-eighth of the gross taxes paid to the State. The particulars, according to this return, are,—

Customs.....	£1,973,547
Excise	1,593,621
Stamps	385,207
Taxes	478,070
Post-office	1,141,112
Crown Lands.....	325,866
Small Branches of Hereditary Revenue	7,268
Total amount of deductions by Revenue Departments from the gross receipts, not paid into the Exchequer	£5,904,691
Treasury	£4,063
Privy Council Office and Board of Trade	1,486
Home Department	13,047
Foreign Department	13,452
Colonial Department	18,054
India Board ..	24,000
Admiralty and Naval.....	175,322
Army and Military Department	122,718
Ordnance Department	189,927
Paymaster of Civil Services ...	32,030
Mint Office	289
Audit Office	1,104
National Debt Office	64
Exchequer Bill Office.....	29

Stationery Office	£50,357
Privy Seal Office	3,836
Signet Office	4,695
Metropolitan Police and Police Courts	262,933
Convict Hulk Establishment ..	254
Auditor of Exchequer (Scotland)	1,791
Paymaster Civil Services (Ireland)	55
Chief Secretary's Office (Ireland)	2,500
Chief Secretary's Office (London)	282
Privy Council (Ireland).....	129
Board Charitable Donations and Bequests.....	45
Board of Works (Ireland)	138,427
Board of National Education (Ireland)	8,183
Dublin Metropolitan Police	85,670
Total Receipts by all Departments (except Revenue) from all sources except Parliamentary grants, or issues from the Exchequer	1,099,747
Revenue Departments.....	5,904,691
Total Annual Amount Expended, which never reached the Exchequer.....	£7,004,438

On a careful examination of the sources whence the public income is derived, the Association are astonished to find how completely the taxation is laid on the trade and industry of the country. Contrasted with the accounts of the expenditure, it divides the community into two distinct classes,—one, those who pay; the other, those who spend, the taxes. The former comprises the great mass of the population, all who labour and produce the wealth of the nation: the other, the favoured few, who, from accident of birth or connexions, are exempt from the necessity of toil; and who seem, on that account (for no other reason can be discovered in the examination of these documents, but the *fact* that such *is* the exemption) to be relieved from the duty of contributing their fair and proportionate amount to the pecuniary requirements of the State.

An examination of these sources will place this in a clear light. In the return before us they are classed under eight different heads, viz. :—

	Gross Revenue.	Amount not paid into the Exchequer.	Nett.
Customs and Excise.....	£37,290,000	£3,567,000	£33,723,000
Stamps.....	7,676,000	885,000	7,291,000
Assessed and Land Taxes	4,475,000	478,000	3,997,000
Property and Income Tax	5,544,000	—	5,544,000
Post-office	1,964,000	1,141,000	823,000
Crown Lands.....	394,000	326,000	68,000
Other Ordinary Revenue, and other Resources	427,000	7,000	420,000
Money from China under Treaty of August, 1842.....	668,000	—	668,000
	£58,438,000	£5,904,000	£52,534,000

Now, if we separate the items under these different heads according as they bear on trade and industry, and on property, we shall find the result to be thus:—

	£—	On Trade and Industry.	On Property.
Customs	£—	£87,290,000	£—
Stamps :—			
Deeds and other Instruments.....	1,962,000	654 000	1,308,000
Probate and Legacies.....	2,211,000	2,211,000	—
Insurance, Marine	150,000	1,206,000	—
" Fire	1,056,000		
Bills of Exchange and Bankers' Notes	671,000	671,000	—
Newspapers and Advertisements	350,000	350,000	—
Stage Coaches	441,000	441,000	—
Receipts	184,000	123,000	61,000
Other Stamp Duties	651,000	217,000	434,000
Land Taxes	1,166,000	—	4,475,000
Assessed ditto	3,309,000		
Property and Income Tax	5,544,000	2,271,000	3,273,000
Post-office	—	1,964,000	—
Crown Lands	—	—	—
Other ordinary Revenue and other resources	—	—	—
China Money	—	—	—
		47,398,000	9,551,000
To this must be added the extra profit necessitated to traders, in consequence of the Customs and Excise Duties enhancing the first cost of all articles, as mentioned before.....		9,824,000	—
Making a total tax on Trade and Industry of		£56,722,000	On Property £9,551,000

In this calculation, the Association have taken to the account of trade and industry the whole of the probate and legacy duties, and in this they conceive themselves justified, so long as the propertied classes refuse to have the same duties extended to real property. On the other hand, they have given to property the whole of the assessed taxes, including the window duties, amounting to £1,626,000, some portion, at least, of which press on trade and industry; to which account, also, they have, perhaps, given more than its due proportion of the deeds and other instruments and other stamp duties. But they are desirous of stating the case fairly, which they think they have done, erring, if at all, certainly not in favour of their own view of the question.

Under this aspect of the subject, the Association cannot help calling the attention of the public to the following extract from "Porter's Progress of the Nation," and submitting to their serious and earnest consideration, whether, under such circumstances, any thing can be more injurious to the general prosperity of the country at large, than such a system of taxation.

"The proportion of persons in the United Kingdom, who pass their time without applying to any gainful occupation, is quite inconsiderable. Of 5,812,276 males, twenty years of age and upwards, living at the time of the census of 1831, there was said to be engaged of some calling or profession 5,466,182, as under:—

In agriculture.....	2,470,111	In domestic service	132,811
In trade and manufactures.....	1,888,768	As bankers, clergymen, professional	
In labour not agriculture	698,588	men, &c.....	275,904

Thus leaving unemployed only 346,094, or rather less than six per cent. of the whole.

"Where so large a proportion of persons apply themselves to productive labour, with so many natural and acquired advantages as are offered in this country, the sum of human enjoyment, so far as the same can be said to depend upon the possession of the necessaries, conveniences, and luxuries of life, must needs be very great, since the whole of what they produce beyond what is

wanted to replace the capital expended in that production, must be either consumed by them, or added to the capital of the country, and in this way will be made to increase the power of production in future years."—*Porter, pp. 530, 531.*

The most important view of this subject, however, namely,—the effect of such a system on the physical and social condition of the great bulk of the community, more especially on the industrious and labouring classes, remains to be considered, and will furnish the subject for the next part of this section.

PART II.

EFFECT ON THE PHYSICAL CONDITION OF THE PEOPLE.

The Financial Reform Association proceed now to consider more in detail "The effect of our present System of Taxation, as especially illustrated by the Customs and Excise Duties, on the physical condition of the great bulk of the community, more especially on the industrious and labouring classes."

They adopt, as a text on this subject, the following remarks from Porter, on "Public Revenue and Expenditure," page 476:—"IT HAS ALWAYS EXCITED DISSATISFACTION ON THE PART OF THE PUBLIC TO BE CALLED ON FOR THE PAYMENT OF ANY TAX FROM WHICH THEY HAVE NOT THE POWER TO PROTECT THEMSELVES, BY ABSTAINING FROM THE USE OF THE TAXED COMMODITY. IT IS THIS CONSIDERATION WHICH HAS ALWAYS MADE OUR FINANCE MINISTERS PREFER INDIRECT TO DIRECT TAXATION, AND WHICH LED, DURING THE PROGRESS OF A LONG AND EXPENSIVE WAR, TO THE IMPOSITION OF DUTIES THAT WEIGHED WITH DESTRUCTIVE FORCE UPON THE SPRINGS OF INDUSTRY."

Worded as the above extract is, it becomes, in its plain meaning, rank nonsense; for where would be the use of calling upon the *public* to pay taxes, from which they have the power and the right to exempt themselves? and where would be the wisdom or the success of the Finance Ministers in always yielding to this consideration? With the alteration, however, of one word, it is pregnant with meaning, and will open up to us the manner in which the defenceless, because unrepresented, though labouring and producing classes, have hitherto been oppressed. For the word *public*, substitute *lawmakers*, including all those who have a voice in the choice of their representatives; and it contains a truth as impossible to deny, as to defend, the gross dishonesty it discloses. Read according to this wording, it implies that all who have had any voice in imposing the taxes have hitherto endeavoured to place them, so that they themselves may escape from the burden, and that this consideration has always met with the acquiescence and support of our Finance Ministers, who have accomplished it through the medium of *indirect* taxation. Now, as we know from experience that the Ministers have always raised since that period, (1797,) to which this extract originally had reference, yearly revenue ranging from £23,000,000 as in that year, to £58,000,000 and upwards, as in the year ending 5th January, 1847, we are constrained to conjecture that there must have been a *compulsory* power of taxation somewhere; and that though the voluntary system was here introduced in favour of those who thus displayed an "impatience of taxation,"

(though not an *ignorant* impatience,) it was so blended with the *computatory* system, that those whom it embraced could not escape, but at the sacrifice of life; or, in other words, that the Minister, in allowing the richer portion of the community the privilege of escaping taxation, was compelled to sacrifice, even to the death, a greater number of the poorer people. And in this conjecture we are borne out by the concluding sentence of this extract, "and which led," (a preference for indirect to direct taxation,) "during the progress of a long and expensive war, to the imposition of duties that weighed with destructive force on the springs of industry;" and we are confirmed by the fact that most of those duties, after a peace of nearly thirty-four years, still remain, and that their "destructive force on the springs of industry" are becoming every day more demonstrable, as numerous Parliamentary committees of inquiry indisputably prove, amongst which it may be sufficient, at present, to specify the committee and its report on our commercial relations with China.

The Association do not use the strong expression "to sacrifice, even to the death, a greater number of the poorer people," without due consideration and ample justification, as will be apparent when the items of indirect taxation are specified and examined. Taking them from the "return" before quoted, of the "Public Income and Expenditure of the United Kingdom for the year ending the 5th of January, 1847, they are as follows, namely,—

Spirits : Foreign.....	£1,207,392	Corn	£723,600
Rum.....	1,219,535	Bricks, &c.	638,422
British	5,949,151	Currants and Raisins	470,263
	————— £8,376,078	Hops	286,265
Tea.....	5,112,005	Silks	235,377
Malt.....	5,084,650	Post Horse Duties.....	179,832
Tobacco and Snuff.....	4,319,088	Butter	136,543
Sugar and Molasses	4,050,418	Candles and Tallow	89,888
Wine	1,892,242	Cheese	88,289
Timber	1,133,672	Glass.....	18,822
Excise Licenses	1,086,155	Coals, sea-borne.....	—————
Soap	965,836	Miscellaneous.....	845,706
Paper.....	798,814		
Coffee.....	756,838		
			—————
			£37,288,803

The first necessities of life—indeed the very essentials—without which it cannot be maintained, are food and shelter, not to particularize fuel and clothing. And how are these affected by the above list of taxes? All are enhanced in price, and by it placed beyond the reach of millions—bread, cheese, butter, sugar, currants, and raisins, in the way of food; and as drinks—tea, coffee, beer, wine. As regards shelter, the materials which furnish it escape not, as witness the tax on timber, bricks, &c. With which of these can the poor, can any man, dispense, without material want, inconsistent with the intention of the Almighty as exemplified by His bountiful supplies to all creatures? while to dispense with the use of all would be inevitable death, and amount to self-murder. Yet such is the alternative to the poor, if, like their richer brethren, they wish "to protect themselves by abstaining from the use of taxed commodities." Secondary to these, only from the fact that they are not *essential* to life, are tobacco, soap, paper, the taxes on which articles become, after those on food, the most objectionable that can be conceived to large classes of

the community. To what, under such a crushing load of taxation, has the poor man to look for comfort and happiness? Shelter, food, fuel, *all* taxed, *all* put beyond his reach, except the almost spontaneous productions of the earth—potatoes, water, and mud. On the two first he may, perhaps, hold together in physical existence his body and soul, and with the last build himself a miserable cabin; but what the ultimate result of such a state of millions will be, let the present and recently past condition of Ireland answer. And yet to this state is the present system of taxation hurrying us.

These evils can only be removed by the present lavish expenditure being reduced, in conjunction with an entire change in the mode of raising the necessary taxes. The interest on the debt must be provided for; but the three great war establishments of army, navy, and ordnance may be, and must be, cut down. If they are maintained on their present footing, the people will know at what cost to themselves, depriving thousands, nay, millions, of shelter and food, the two essentials of life, to say nothing of the simplest comforts. If the ruling classes are determined to persist in such a course, they must expect to hear the question asked by those whom such a system crushes to the earth, "What is the benefit of such government to them?" They might as well run all risks of foreign invasion and its consequences, terrible as they are, as to be thus pushed out of life, by taxes imposed against the occurrence of any such contingency. To them the one is remote and uncertain, while the other is sure and always present. True conservative policy points out the necessity of removing such sources of discontent, which, however, before they can be removed, must be known; but the governing classes, placed as they are, so much above the suffering millions, with little sympathy with, and less knowledge of, their wretched state, are not likely to make the discovery, so that it becomes the imperative duty of an Association, such as this, to place it on record, and bring it pointedly under the consideration of all classes—the represented, the representatives, the nobles, the executive, the Sovereign.

The Association proposes, in the next part of this section, to examine more minutely every individual article contained in this list, with a view of illustrating more perfectly the effect of the system on the social condition of the people.

PART III.

EFFECT ON THE SOCIAL CONDITION OF THE PEOPLE.

The Financial Reform Association, in the following remarks on the articles furnishing the subjects of taxation under the Customs and Excise, have confined themselves chiefly, if not entirely, to their effect on the social condition of the people. They pass by altogether, as foreign to their purpose, the question of differential or protective duties, taking their stand on the broad principle, that **ALL ARTICLES WHICH CONSTITUTE A LARGE AND NECESSARY PORTION OF THE FOOD OF THE COMMUNITY, OR MINISTER TO THE PROFITABLE EMPLOYMENT OF THE PEOPLE, ARE UNFIT OBJECTS OF TAXATION IN ANY WAY OR DEGREE.**

With an increasing population at the rate of a thousand per day,

profitable employment must be found, so as to render the population self-supporting, or at no very distant period the poor law will become the means of confiscating the property of the wealthy, to the support of the poor, in the shape of legal almsgiving. There are but two alternatives: profitable employment and a self-supporting people, with all the energy and independence which such a population give to a nation; or idleness and want, trenching upon, and ultimately absorbing the property of others, till the end be anarchy, if not violent and bloody revolution, out of which shall arise a new order of things.

Our present system of taxation violates both these great principles, as will be more apparent in a separate but short notice of each article.

SPIRITS.

AMOUNT OF DUTY—Foreign	£1,207,392
Rum	1,219,535
British	5,949,151

Amount of Tax for the year, 5th Jan., 1847..£8,376,078

This tax is often attempted to be justified on the ground of protecting the morals of the people. But putting aside the impossibility of making people moral by act of Parliament, and saying nothing of the questionable morality of deriving so large a sum from a source admitted by such an argument to be immoral, does not the enormous revenue yielded by the tax prove it to be ineffectual in suppressing consumption. The history of these duties proves beyond doubt that taxation is not the means to combat with habits of intemperance. Such habits are not the effect of cheap spirits, but of a low tone of morality, and it must be education and not the Excise that will put a stop to such evils. A reference to "Porter's Progress of the Nation," under the section of Moral Progress, chapter iii., will show that, in 1736, the habits of intoxication had reached such a point as to occasion continual debates in Parliament, and to call for very stringent measures. It was no uncommon practice in those days for publicans to paint over their doors a notice like the following:—"You may here get drunk for a penny, dead drunk for twopence, and have clean straw for nothing." The result was, that the Legislature, thinking the cheapness of the liquor caused the abuse, imposed a duty of 20s. per gallon on the spirits, *and altogether prohibited their sale by retail*. The effect of this proceeding was "riot and violence," "the clandestine sale of gin," filling "the prisons with offenders unable to pay the penalty," so that within less than two years "12,000 people had been convicted under the act within the bills of mortality, of whom 5000 had been sentenced to pay each a penalty of £100, and 3000 people had paid £10 each, to excuse their being sent to bridewell. It was given in evidence before a committee of the House of Commons, in 1743, that the quantity of spirits made for consumption in

England and Wales was.....	1733.....	10,500,000	gallons
"	"	.....1734.....	13,500,000 "
"	"	.....1740.....	15,250,000 "
"	"	.....1741	17,000,000 "
"	"	.....1742.....	19,000,000 "

“These quantities were consumed by a population not exceeding six millions, giving three gallons for each individual, in 1742. One century later, and we find a population, increased to sixteen millions, consuming 8,166,985 gallons in the year, or half-a-gallon per head, showing a diminished consumption of more than five-sixths.” In 1742 the tax on British-made spirits was 20s.; in 1842, 7s. 10d. per gallon; clearly demonstrating that the tax is no bar to habits of intemperance.

A more effectual mode of counteracting such a tendency would be, to untax altogether such articles as tea, coffee, and sugar. Porter says, at page 562,—“If, by reason of the cheapness of provisions, the wages of the labourer afford means for indulgence, sugar, tea, and coffee are the articles to which he earliest has recourse, and his family partake in the sober gratification, On the other hand, it will often happen that when the power of buying these is not enjoyed, the small sum that can still be paid after the purchase of his loaf, is bestowed in procuring that stimulating draught which is then more than ever desired, and the man is driven from his cottage to the public-house. *We may thus reconcile the apparent anomaly which has been so often remarked, that the Excise revenue maintains its level during even lengthened periods of distress.*”

The tax, however, interferes with a very important home manufacture, and, as such, is a direct tax on native industry, limiting the employment of the people; and, to the extent in which it does this, it is responsible for all the evils which follow therefrom.

To the duty on foreign spirits, originally imposed as a WAR DUTY, and continued ever since, till 1846, when it was reduced to 15s., must, however, be attributed the greatest evils, in demoralizing the lower classes of the people. It is this which created and has sustained the trade of the smuggler, ruining the honest trader, filling the gaols with criminals, (too often guilty of the deepest crimes, not even excepting murder,) increasing borough and county rates, adding to the expenses of collection by rendering necessary the preventive service, and proving itself a prolific source of social evils of the darkest dye.

TEA.

AMOUNT OF TAX£5,112,005.

This article is the very opposite of the last; and on what principle, we ask, is *it* taxed? It is the very antidote of intoxication, the promoter of domestic and orderly habits, the solace and comfort of the poorer classes of our female population, the stimulant of literary labours, and the great medium of exchange in the commerce of this country and China. This tax was raised in 1811 to 96 per cent., as a WAR TAX, and now, owing to the great decrease which has taken place in the bonded, or short price of Tea, it averages no less than 225 per cent., notwithstanding that *the price to the public, duty paid*, is less by 50 per cent. than at that period. Thus, though a WAR TAX, it is not only continued after a period of thirty-four years' peace, but *increased* by one hundred and twenty-five per cent. And this is but an example of what will be the fate of all taxes, so long as the people sanction the present lavish expenditure of the Government, and do not demand, in earnest, reduced taxation.

The *average* cost of tea may be stated at present to be about 1s. per

pound. Under the present tax, this article cannot go from the importer to the consumer (that is, from the first hands to the chandler's shop, where it may be retailed out, and as to the poorer classes most likely is there retailed out) under FOUR SHILLINGS PER POUND, thus,—

Cost of Tea.....	1s.	0d.
Add profit, 25 per cent.	0s.	3d.
Duty on ditto.....	2s.	2½d.
And profit on ditto, 25 per cent.	0s.	6½d.
	<hr/>	
	4s.	0d.

Or, in other words, out of every 3d. that a poor man, or washer-woman, or the still worse off sempstress, spends in tea, 2d. out of every 3d. goes in the shape of tax. It is within the knowledge of parties in Liverpool that, in January last, a purchase of tea was made in that market for a poor-law union in Ireland, the gross invoice amount of which was £236. 12s. 9d., *out of which no less a sum than £208. 5s. 11d. was paid for duty*; and, in March last, a further purchase was made for a similar purpose, amounting to £265. 4s., *out of which £238 was paid to the Government in the shape of tax*. Need any thing more be said to illustrate this gross injustice?

Its effect on our commerce, however, is worse—it is destructive. Mr. Robert Gardner, a large manufacturer, at Manchester, and shipper of his produce to China, says, in his evidence before the Select Committee of the House of Commons, in 1847,—“In consequence, the entire trade has been most disastrous.” “It has been a most ruinous trade.” “A piece of shirting, the cost of which, in Manchester, is 9s. 6d. to 11s., according to the quality, will purchase 12 lbs. of the average quality of tea. The *Chinese* levy a duty upon that piece of shirting of 7¼d., and *we* levy upon the tea which we receive in exchange for it 26s. 3d.!!!” “Upon yarn they levy a duty of nearly five-eighths of a penny per lb.; 12 lbs. of average quality of yarn will more than pay for 12 lbs. of average quality of tea!!!” Considering that tea is taken altogether and entirely in barter for our own manufactures, how does this cramp the employment, and, consequently, affect the social condition of work people? In a pamphlet issued some few years ago on this duty, it is said,—“The extent of such employment, immediately, to the manufacturing population of Manchester, Leeds, Sheffield, Birmingham, and Staffordshire, and the scarcely less direct employment of all engaged in shipbuilding, and all the variety of handicrafts put in requisition by demand for any large amount of additional shipping, and the still less direct, though not less sure or less important employment afforded to railroads, canals, and all the labourers employed thereon, in the transit of the goods to the port of shipment, and to the brokers and commission agents whom it there employs, together with the capital requisite for these purposes, cannot easily be estimated.” The Select Committee, in their report to the House, say,—“It is only through the duty (a duty on the average qualities of about 200 per cent., and on the worst qualities of 350 per cent.) that any such reduction to the consumer can be effected, as to stimulate consumption in any sensible degree; and such reduction thus becomes essential to a healthy and extended trade.” Again: “It is also desirable in itself as promoting the increased consumption of a beverage wholesome and agreeable to every

class of our population, and one which is increasingly desired as a substitute for intoxicating liquors, and that it would be no more than is due to the Chinese, who tax our products so lightly while we burthen theirs so heavily." And again: "As most desirable in itself with a view to the comforts and the social habits of the people."

MALT.

AMOUNT OF TAX.....£5,084,650

This tax presses particularly on the poor, and more especially on the hardest working labourers. Its repeal has often been sought, under the impression that it was paid by the producers, and not as, in fact, by the consumers. The producers being the renters of land, it is probable that, had it been proved to have fallen on them, it might have been repealed, with the hope of the rents of barley-growing land being thereby increased; but, when it was satisfactorily proved to fall on the consumers, the demand for its repeal ceased, in the fear, no doubt, that any substitute for it (and one must have been found) would have been even more distasteful to landlords. The Commissioners of Excise Inquiry, in their report, say,—“The repeal of it would produce scarcely any other effect than that of raising the price of barley, and affording to farmers the means of paying higher rent for barley land.” If the farmer, out of his increased price for barley, could afford to pay a higher price for land, it is a legitimate benefit which the landlord has a right to expect; but, as the barley would not be raised in price beyond what the public could afford and were willing to give, and who, it cannot be supposed, would give up to the farmer the whole benefit of the repeal, any more than they would expect to keep all the benefit to themselves, its repeal would have benefited all parties,—the consumers of beer, the producers of malt, and the owners of the land, which, in the opinion of the Association, would have been a very great recommendation in its favour. The greatest objection, however, is the manner in which it interferes with and restricts an important branch of home manufacture, not only preventing any improvement in the making of malt, but actually creating impediments at times and seasons of the year to making it at all. It lessens, likewise, to an incalculable extent, the employment of the people, more especially in agricultural districts.

TOBACCO.

AMOUNT OF DUTY.....£4,319,088.

It was given in evidence, before the Select Committee on the tobacco trade in 1844, that “nine-tenths of the tobacco is consumed by the working classes.” This tax, therefore, presses most heavily upon them. The beneficial or injurious effects of the use of this article is quite a matter of opinion, upon which, no doubt, men will remain divided; but, so long as an *entire class* of our population adopts its use, to the extent of nine-tenths of a consumption yielding a yearly revenue of upwards of £4,300,000, independently of the quantity consumed that is never charged with duty, it is but reasonable to conclude that *to them* it is an article of indispensable necessity, or a greatly coveted luxury; in

either of which cases the present duty, being upwards of 900 per cent., is beyond all defence. But when the amount of this duty is clearly proved to be the *cause* of enormous smuggling and all its frightful consequences, as any one may be convinced by consulting the evidence given before the above-mentioned Parliamentary Committee, the tax is not only placed beyond all defence, but becomes in itself absolutely criminal, affording a memorable but melancholy illustration of the evil effects of our present system of taxation on the social condition of the people.

SUGAR AND MOLASSES.

AMOUNT OF TAX£4,050,418.

This tax has recently been the subject of so much discussion that it may be passed by with a very brief notice. The Association consider it to be, in any way or proportion, a most unfit subject of taxation, as being in the present state of society, to all classes, an absolutely necessary article of food. The tax at present upon it, is equal to about 10s. in every 20s.

WINE.

AMOUNT OF DUTY£1,892,242.

Under this article the Association quote the following from Porter, page 570 :—"The extent to which the people of this country are accustomed to the use of wine cannot be considered commensurate with their general power to obtain the conveniences of life. The consumption was, in former times, much greater in proportion to the population than it has been of late years. In 1700 the average annual consumption of each individual in England and Wales amounted to a very small fraction below an imperial gallon, while at present it scarcely exceeds one-fourth of that quantity. There can be but one cause assigned for this change—excessive duties. In France, where wine may be had in almost every part of the kingdom at a low price, and where, except a trifling "octroi," levied in the towns, the produce of the vineyard is nearly duty free,—the average annual consumption is equal to rather more than 19 gallons by each individual, or more than 70 times the consumption of the United Kingdom. One effect of our high duties has been to confine importation to the finer kinds of wine, which are consequently within the reach of only the easy classes; to the working man wine is altogether denied. There is a great deal of excellent wine made in Province and Languedoc, better adapted to the English taste generally than the finest wines of Medoc, and which could be sold with a good profit to the importer for less than sixpence per bottle, independent of duty."

TIMBER.

AMOUNT OF TAX£1,133,672.

This is an impost on a most important raw material, especial for ship-building and house-building purposes; in the one case, increasing the cost of the dwellings of all classes, of the poor especially; and in the other, adding to our difficulty in competing with foreigners in trade. In both instances it affects injuriously the employment of the lower classes, and indirectly as well as directly their social condition.

EXCISE LICENSES.

AMOUNT OF DUTY£1,086,155

These licenses become under an income tax, an addition to that burthen, on the traders compelled to take them out, and *being particular in their application are consequently unjust*. Nor, can they be defended, as when formerly imposed, as being generally necessary to the protection of Excise revenue, the system of surveys and permits having been nearly, in all cases, abolished. The duty on auctions has been entirely repealed, and yet the license of auctioneers has been raised from £6 to £10 per annum.

This impost mulcts the traders subject to it, of an additional income tax amounting in all to £1,086,155.

SOAP.

AMOUNT OF DUTY£965,836.

The duty on hard soap is $1\frac{1}{2}$ d. per lb., enhancing its cost to the public by nearly 2d. per lb. Without this impost good soap could be retailed for 3d. per lb. The duty on soft soap is 1d. per lb.

The objections stated to a tax as affecting the manufacture of malt apply as forcibly, if not more so, to this article. It ties the manufacturer down to certain rules and processes, preventing the possibility of his availing himself of recent scientific and chemical discoveries, and has, consequently, retarded all improvements in its manufacture. The tax has also given rise to much contraband trade, which has so injured the upright and honest manufacturer as to drive many from the occupation; which will, no doubt, account, in some measure, if not altogether, for the fact mentioned by Porter, viz., "The progressive decrease in the number of licensed makers, until they are now little more than one-half as many as in 1801."

How this must interfere with a most desirable employment to numbers of our present unemployed population the Association need not point out, being so self-evident. Porter says at page 580,—“During all the time that an Excise duty was levied upon candles, it may be said that there was no improvement in their quality; and it is probable that had the duty not been repealed the regulations enforced by the revenue officers would have continued to prevent any such improvements. No sooner, however, were the manufacturers relieved from the restraints thus imposed, than their ingenuity was set to work, and each year that has since elapsed, has produced one or more inventions or combinations, whereby the essential good qualities of candles have been increased, and their cost, relatively to their value in use, diminished.”

The moral value of cleanliness, to which soap is an indispensable requisite, has passed into a proverb, and a tax upon it becomes, therefore, injurious to the health and morals of all classes, especially of the labouring portion, besides a great impediment to the sanatory advancement of the people, which object has lately received so much of the attention and encouragement of the Legislature. With these enactments and recommendations, a tax on soap is at direct variance.

PAPER.

AMOUNT OF DUTY.....£792,814.

This duty was first imposed in 1711, by the Act 10 Anne, c. 19, under “*the necessity of raising large sums of money to carry on the war;*” and, as observed by Porter, “surely it required a strong case of necessity to justify the imposition of a tax which tended so directly to impede the progress of knowledge among the people.” The injurious effects of high duties on books may further be seen by referring to his work, at pages 578 and 687. Indeed, the whole of the chapter of which the latter reference forms a part, may be profitably perused by all who are desirous of knowing the evil effects which high duties entail on the social condition of the community generally.

This tax is also, like that on soap and malt, injurious to an important branch of home manufacture, in preventing improvements in quality, and economy of production, as well as in materially lessening the field of profitable employment to our at present unoccupied or starving population.

COFFEE.

AMOUNT OF DUTY.....£756,838.

Many of the observations made on tea will apply to this also, which being an article of food, ought, under no considerations, to be taxed. The good social effects of former reductions of duty on coffee are forcibly illustrated in the chapter of Porter before alluded to, page 686.

CORN.

AMOUNT OF DUTY.....£723,600.

At present STILL TAXED; its almost entire repeal is, however, provided for, and with it should go, also, ALL DUTIES ON FOOD.

BRICKS.

AMOUNT OF DUTY.....£638,422.

A tax on shelter, especially on that of the poor, as also on native industry of the rudest and most unskilled sort.

CURRANTS AND RAISINS.

AMOUNT OF TAX£470,263.

Articles of food, and, *therefore*, ought not to be taxed.

HOPS.

AMOUNT OF DUTY.....£286,265.

A tax on the beverage of the poorest and hardest worked portion of the community, and, *therefore*, ought to be repealed. It is, however, as in the case of the malt duty, injurious also to the owners and occupiers of certain lands, and, in consequence, to agricultural labourers.

SILKS.

AMOUNT OF TAX.....£235,377.

Being *manufactured* silks, this is more a tax on luxury and wealth, and *while needful*, less objectionable than any other in this tariff.

POST HORSE DUTIES.

AMOUNT OF TAX.....£179,832.

Under the altered circumstances brought about by railways, and as interfering much with several branches of industry, as well as with the comforts and convenience of all classes, a most impolitic and objectionable impost.

BUTTER.

AMOUNT OF DUTY£136,543.

Being an article of food, is unfit for taxation. Besides, it seems a mockery to untax bread, and continue it on butter. The present duty is 10s. per cwt. and 5 per cent.

CANDLES AND TALLOW.

AMOUNT OF TAX£89,888.

This applies, it is presumed, chiefly, if not entirely, to the last article, and as such, being on a raw material of manufacture, ought to be abolished. The same objections will apply to this as to the duty on soap.

CHEESE.

AMOUNT OF TAX£88,289.

An article of food, and, therefore, unfit for taxation. The same mockery exists here as in the tax on butter. The present duty is 5s. per cwt. and 5 per cent.

GLASS AND COALS

Are repealed, though they appear to a small amount in this return.

MISCELLANEOUS.

AMOUNT OF TAX.... £845,706.

As they are given without specification, so they must be dismissed without comment

And these are the sources whence our sinecurists are not ashamed to draw their unearned pensions. The results of the labour, toil, and drudgery of the working man, it may be, at the expense of the life of some dear to him, are transferred to the luxurious and the idle. It is from sources such as these that the trade of blood and of murder is to be supported; that the three departments of Army, Navy, and Ordnance, which furnish their supplies for this horrid traffic, are to be maintained; and that in the scale of such inhuman wickedness, the privations, the sacrifices, the perishing from want, of thousands and millions of our fellow-men, subjects and Christians, are to weigh for nothing; but all, all that is sacred to every man by association and affection, and, as such, ought first to be protected by every Government as the greatest good of society, is to be given up. No! The excuse of war will serve no longer. War must give place to industry. The advent of PEACE is upon us—the time is come, when “the sword shall be beaten into ploughshares and the spear into pruning hooks.”

FINANCIAL REFORM.

The Financial Reform Association was instituted in Liverpool, on the 20th of April, 1848, for the following

OBJECTS.

1st. To use all lawful and constitutional means of inducing the most rigid economy in the expenditure of the Government, consistent with due efficiency in the several departments in the public service.

2nd. To advocate the adoption of a simple and equitable system of direct taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensively collected duties upon commodities.

Political partisanship is distinctly disowned, the Association being composed of men of all political parties.

ROBERTSON GLADSTONE, President.

TERMS OF MEMBERSHIP—Five Shillings per annum for the year ending 19th April, 1849; and a Subscription of Ten Shillings and upwards will entitle Members to receive all the publications of the Association.

The publications issued up to November 13th, 1848, are,—Reports of the Public Meetings of the Association, and Tracts Nos. I, II, and III.

No. I treats of the CIVIL LIST, of the augmentation of National Burdens since George I; of her Majesty's Privy Purse, Household Salaries, Household Tradesmen's Bills, Bounties, and Charities; and also of the Departments of the Lord Chamberlain, the Lord Steward, the Master of the Horse, the Mistress of the Robes, and of all those idlers whom ages of custom have permitted to be fixed on the Royal establishment, eating up her Majesty's Royal income, and leading the public to believe that Royalty is more costly than it really is.

No. II treats of the PENSION LIST.

No. III of TAXATION: its Amount and Sources; its Effect on the Physical Condition of the People; and on the Trade of the Country.

N.B.—Public Meetings are held on the third Wednesday of every month; the Council meets every Monday and Thursday; and the Secretary attends the Office daily. Sections of the Tracts, in printed slips, are forwarded once a week to nearly every newspaper in the Kingdom.

Post-office orders to be made payable to MALACHI DONOHUE, Hargreave's-buildings, Liverpool.

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FINANCIAL REFORM TRACTS

No. 4.

THE ARMY, ORDNANCE, COMMISSARIAT, NAVY, COLONIES.

SECTION I.—INTRODUCTORY.

THE FINANCIAL REFORM ASSOCIATION, in their scrutiny of the public expenditure, cannot deal with the Army, Ordnance, Commissariat, Navy, or Colonies separately, although each has a distinct head, and come singly before Parliament for its supply of money: they are, as will be immediately seen, inseparably related; indeed, if all their alliances were traced, it would become necessary to associate other branches of public service and expenditure with them,—such as the Woods and Forests, which are maintained at a great public loss, under the delusion that they produce timber for the ship-building of the navy. But into those subjects of secondary relationship the Association will not now enter; they confine themselves to those branches of expenditure which form the component parts of the great institution of physical force.

In the army estimates of the current year, beginning 1st April, 1848, and ending 31st March, 1849, the sum of £4,780,905 is declared to be required for the charge of the land forces. We are instructed to deduct from this the sum of £809,783 for five regiments of cavalry and nineteen regiments of infantry, serving in the East Indies, the charge for which is defrayed by the East India Company. Also we are instructed to deduct the expenses of the East India depots at Maidstone and Chatham; and also to deduct the sum of £134,242, which is a fund arising from other sources (hereafter specified) than the taxes of the current year, and available for the army expenditure. After which there stands before us the sum which has been voted by Parliament for the charge of her Majesty's land forces at home and abroad, exclusive of India, namely, £3,836,880.

But this vote is not what it professes to be, a sum sufficient to defray the charge of the land forces. Those forces are set down in the estimates as 113,847 men, exclusive of 24,922 paid by the East India Company, making in all 138,769 officers, non-commissioned officers, rank and file. But to that number we must add the force authorized to be maintained by the Ordnance Estimates, the Royal Engineers, Sappers and Miners, Royal Artillery, Royal Horse Artillery; the Field Train, and the Ordnance Medical Department; in all 14,294 officers, non-commissioned officers, rank and file.

And again, in the Navy Estimates, while 5,500 Royal Marines are voted for service afloat, 8,000 are voted for service on shore, where they are quartered in barracks, and their duty is, in every respect, the same as that of the infantry of the land force. To these are to be added the Royal Marine Artillery, also employed on shore.

There is also the Commissariat Corps employed alike by the army and the ordnance, and frequently in the half military, half civil service of the colonies, the number of whose heads or hands is not easily ascertained, but whose expense in the current year is £571,309 9s. 6d.

Again, in the Army Estimates there is the sum of £313,486 4s. 4d. charged for clothing the land forces; but on examination this is found not to include

great coats, though it includes £400 for marking the great coats with white paint. It is upon the Ordnance Estimates those great coats are charged, as, also, all the bedding, barrack furniture, and barrack accommodation of the army.

The Ordnance is also charged with the expense of manufacturing arms, accoutrements, ammunition, and a considerable part of the commissariat and medical staff, but not all. The Navy Estimates in like manner, are charged with the expenses of the troop-ships in which the land forces are conveyed from home to foreign stations, or from colony to colony.

Again, the estimates for colonial expenditure, include governors, who are paid as such, and who also receive pay according to their rank in the army; who, besides having an establishment of secretaries, assistants, clerks, and other servants allowed them, by the vote for Colonial expenses, have the same secretaries, clerks, and servants, or another set, or partly another set, paid out of the Army Estimates, under the head of "Foreign Staff," while again, that foreign staff, the military secretaries, aides-de-camp, &c., are paid twice,—first, as regimental officers,—second, as staff; and some of them a third time, as colonial public servants.

In like manner the medical staff, and most of the storekeeping and garrison staff in the colonies, and occasionally at home, are charged on the Army and on the Ordnance Estimates; or, when this is not the case, two sets, and, at times, three sets, of medical, storekeeping, garrison-keeping, book-keeping, and working staff, are retained and paid, where one set is sufficient for the duty required.

It is for these and similar reasons that the Financial Reform Association have classed the Army, Ordnance, Commissariat, Navy, and Colonies together. They beseech the patient attention of the public while they go through these multifarious and complicated items of public expenditure. They begin with the pay of the army; they will end with the military and commercial statistics of the colonies, showing what taxes are absorbed by, and what commercial advantages are gained from, our military colonial system.

SECTION II.

NUMERICAL STRENGTH AND COST OF THE EFFECTIVE ARMY.

826 Cavalry officers	£140,834	2	6
5,169 Infantry officers	706,090	14	5
1,097 Cavalry non-commissioned officers	31,756	18	0
8,865 Infantry non-commissioned officers	234,980	18	3
10,420 Cavalry rank and file.....	174,710	13	4
112,392 Infantry rank and file	1,730,366	2	11
	<hr/>		
	£3,018,739	9	5
Deduct a proportion of the pay of men wanting to complete	£35,000		
The amount which will not be issued for men in confinement	33,000		
The amount of pay forfeited by men under sentence of court martial	2,500		
Total deductions	<hr/>	70,500	0 0
	<hr/>		
Net pay of officers, non-commissioned officers, and rank and file.....	£2,948,239	9	5
Add to which additional pay for length of service.....	44,000	0	0
Good conduct pay.....	52,100	16	5
Beer-money: allowance to troops in the United Kingdom in lieu of small beer	99,000	0	0
Allowance to commanding officers	5,146	10	0
Allowance to acting staff officers and non-commissioned officers of depots, revenue battalions, and detachments of the line.....	8,000	0	0
Pay of officers supernumerary to the three Regiments of Foot Guards, and compensation to officers of Horse Guards for reduction of pay of their present rank	2,724	0	0
Military labourers: pay of, in the West Indies, Africa, and the Mauritius	4,000	0	0
Subsistence of men in confinement in civil gaols and barrack cells	8,500	0	0
Allowance to the three Regiments of Household Cavalry for paymaster's clerks, in addition to regimental pay	315	0	0

	£	s.	d.
Allowance to the acting paymasters of three West India Regiments, in addition to their pay	611	7	6
Allowance to ditto in St. Helena Regiment	109	10	0
Allowance to ditto in the Ceylon Regiment at Hong-Kong	196	0	0
Allowance to officers acting as adjutants in Colonial corps, in addition to regimental pay	600	0	0
Allowances to quarter-masters of the Foot Guards for making up Accounts	140	0	0
Allowances to paymasters of regiments abroad, whilst absent at home on sick leave (two at 5s. per day each)	182	10	0
Total pay, &c.....	£3,173,865	3	4

ANNUAL ALLOWANCES.

Non-effective allowances to field-officers, £5,758; contingent allowances to captains, £47,254 16s. 4d.; to captains of Rifle corps, £4,882 10s.; to Foot Guards, in lieu of stock purse fund for recruiting and hospital expenditure, £9,257 11s. 6d.; to officers of the Cape corps, for providing horses, £749 3s. 4d.; to riding masters, £3,266 2s.; allowances for farriery, £10,189 11s. 8d.; to the regiments at Hong-Kong, £8,280. Total annual allowances	£89,637 14 10
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AGENCIES.

Agencies for regiments, £29,764 14s. 3d.; allowance to agents for postage and stationery, £1,200; allowance to agents of Foot Guards for keeping and correcting the records of soldiers' services, and for recording proceedings on courts martial, £118; salary, &c., of general agents (see <i>Recruiting</i>). Total for agency	31,082 14 3
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CLOTHING.

Allowances to colonels for providing clothing, £305,642 15s. 6d.; special allowance to the colonel of the Grenadier Guards, in lieu of profits from clothing the regiment, £1,093 8s. 10d.; allowances to colonels for providing clothing for augmentation, £3,500; allowances to colonels for providing clothing for supernumeraries, £3,000; allowances to certain cavalry regiments to cover deficiencies in the allowances for providing clothing, £1,850; cost of patterns, marking great coats, &c., £400. Total for clothing	£315,486 4 4
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This department of the army expenditure cannot be passed over by the Financial Reform Association without remark. The colonels by whom the clothing is provided are, general officers, who obtain the head colonelcies of regiments to provide the clothing as a matter of trade and profit; they are, in the most literal sense of the expression, dealers in clothes. When a regiment goes abroad, becomes sickly, and is thinned by death, the clothing colonel to whom it belongs, and who remains at home, pockets the money not required for dead or sick men as his own emolument. It is said to be a matter of considerable interest to the clothing colonel of a regiment to know, when it is ordered abroad, whether it be going to a station where men live well or die fast. In cases where regiments seldom go abroad, the allowances are more liberal, to make up for loss of profit on deficient numbers. Also in cases where the clothing must be of good quality, special allowances are made for absence of the profits arising from the clothing of inferior quality. The clothing colonel of the Grenadier Guards, the Duke of Wellington, has £1,093 allowed to provide superior clothing. This is in addition to his pay or profits for furnishing the Rifle Brigade with clothes. Both sources of income are in addition to £16 8s. 9d. per day, as Commander-in-Chief; in addition to £750 per annum for forage for his horses. And all these sums are in addition to £2 11s. 11d. per day as Governor of the Tower of London, which is an office with no duty, and as Lord Warden of the Cinque Ports, and Elder Brother of the Trinity House.

It is also necessary to remark, that the clothes provided by the colonel are only a part of what the soldier wears. All linen, flannels, hosiery, shoes, forage caps, stocks, brushes, combs, and small articles, besides at least one pair of cloth overalls for dragoons, and, occasionally, trousers for infantry, are provided by the quarter-master, or his chief, the clothing colonel, and paid for out of the

soldier's pay, by daily stoppages. The profits accruing from these regimental clothes shops afford an inducement to the heads of departments to be continually devising changes in the style of dress, of under-clothing, of boots, of shoes, and the other necessaries, so that the men are obliged to purchase new articles, and submit to stoppages in payment of them, while the articles set aside and declared to be unregimental, are yet in good condition—in many cases not half worn.

The third and fourth items of the clothing expenditure, £3,500 and £3,000, provide for cases where the clothing colonel is likely to be out of pocket; and the fifth item of £1,850 is to cover the extra expenses of scarlet trousers for the 11th Hussars, and the conceits of one or two other fancy regiments.

The next department of the army expenditure is—

ALLOWANCE FOR PROVISIONS.

First we have "Allowances in aid of regimental messes, £19,000."

The private soldier provides all his extra clothing and messes himself out of 1s. 1d. per day. But besides the many table allowances, field allowances, &c., which we shall hereafter meet, here is a round sum of £19,000 in aid of the officers' regimental messes. Next we have "Table allowance for officers on guard at St. James's and Dublin Castle, £5,004 5s. 8d." The soldiers who mount those guards carry their rations with them, or have them carried from the barracks in their mess-tins. It is presumed that the officers on guard, who are always young subalterns, having something to learn, would not take any harm if they had their dinners cut at the club, and sent to them as dinner is sent to other soldiers; at all events, they cannot be allowed to dine on guard at the public expense. The next item in the estimates for the current year is "Special and temporary personal allowances to officers at St. Helena, on account of the high prices of provisions, £1,000." Total for provisions.....

£25,004 5 8

Thus it is expressed in the Army Estimates; but we shall see many other large sums called "table allowances" while examining the military governorships in the colonies.

SECTION III.

DIVISIONAL EXPENDITURE IN THE ARMY, ORDNANCE, AND NAVY.

In continuing their analysis of the Military and Naval armaments, the Financial Reform Association regret to discover that the sums of money voted for the effective service do not cover the actual cost of the military and naval establishments by several millions sterling. The sum voted for the effective service of the army is £3,836,880, but the whole of the army estimate is £6,318,686. The first of these sums is allotted to the pay, clothing, and recruiting of the army, as stated in the previous section; and for other allowances not detailed in that section. Then there is required for the pay of staff officers a sum of £168,287. Next we pay for the Public departments, which include the offices of the Commander-in-Chief, of the Adjutant-General, of the Quarter-master-General, and the Secretary at War, £96,591. Next we pay for the Royal Military Asylum at Chelsea, and the Hibernian School at Dublin, for the training of children to the army, £19,161. Next we pay volunteer corps £80,309. Next we give in rewards for military service, £15,507; but those rewards do not include pensions nor half-pay. Then we provide, as the army pay of 172 general officers, £76,000; also the full pay of 306 retired officers, £57,000; following which we provide the half-pay and military allowances of 3,546 officers, £406,000; and half-pay to 392 foreign officers, £47,386. As widows' pensions we give the sum of £129,531; and as compassionate allowances, £98,000. For in-pensioners of Chelsea Hospital, we provide (exclusive of other funds) £26,774; and to 68,178 out-pensioners, we pay £1,223,810; and for superannuation allowances, £37,500;—making a total for effective and non-effective land forces, as set forth in the Army Estimates, £6,318,686.

But we are not done with the expenses of the army when we have provided

for the Army Estimates. We have to provide for the Ordnance, in which there are nine branches of service, as follows:—

	Pay per An.			Pay per An.	
	£	s. d.		£	s. d.
1. Pay allowances, and contingencies of Ordnance military corps.....	716,254	0 0	9. Wages to Artificers, &c., employed in her Majesty's establishments abroad.....	39,280	0 0
2. Commissariat and barrack supplies for her Majesty's forces, great coats for the army, clothing for colonial corps, &c.	316,631	0 0	10. Naval stores, &c., for the building and repair of ships ..	1,511,671	0 0
3. Ordnance-office.....	95,564	0 0	11. New works, improvements, and repairs in the yards	688,601	0 0
4. Establishments in the United Kingdom and Colonies	323,207	0 0	12. Medicine and medical stores.....	29,000	0 0
5. Wages of artificers and labourers in the United Kingdom and Colonies	158,567	0 0	13. Miscellaneous services.....	81,547	0 0
6. Ordnance stores for land and sea services.....	502,585	0 0	14. Half-pay to the officers of the Navy and Royal Marine	729,740	0 0
7. Works, buildings, and repairs	737,357	0 0	15. Military pensions and allowances.....	510,288	0 0
8. Scientific branch	94,435	0 0	16. Civil pensions and allowances.....	155,044	0 0
9. Non-effective services, military and civil	171,217	0 0	17. Army and Ordnance departments (conveyance of troops)	217,500	0 0
Total.....	£3,115,218	0 0	18. Home Department (including convict service)	53,950	0 0
Add to which the Army expenditure, £6,318,686, and we have	9,433,904	0 0	19. Post-office Department (contract packet service)	611,662	0 0
Next we provide for nineteen branches of Naval expenditure, as follows:—			Total.....	£7,951,842	0 0
1. Wages to seamen and marines	£1,425,380	0 0	Add to which the Army and Ordnance expenditure, £9,433,904, and we have	17,385,746	0 0
2. Victuals to seamen and marines	653,683	0 0	Next we have for the Commissariat.....	571,309	9 6
3. Admiralty-office	136,303	0 0	And for other expenses hereafter specified, but not included in these estimates, nearly	£1,000,000	0 0
4. General Register and Record-office of Seamen	9,772	0 0	Add to which the militia at home and in the colonies, the armed constabulary of Ireland, and the expenses of collecting that amount of taxes, and the cost is, in the whole, upwards of <i>Twenty-three Millions</i> .		
5. Scientific branch	80,395	0 0			
6. Her Majesty's establishments at home	140,841	0 0			
7. Her Majesty's establishments abroad	25,839	0 0			
8. Wages to artificers, &c., employed in her Majesty's establishments at home	851,346	0 0			

SECTION IV.

PARTICULARS OF THE DAILY AND ANNUAL PAY OF THE ARMY.

	Pay per An.			Pay per An.	
	£	s. d.		£	s. d.
2 COLONELS-IN-CHIEF.			3 of Ceylon Rifle Regts., 17s.	£930	15 0
60 Foot and Rifle Brigade, 13s. per day.....	£477	10 10	2 of Cape Mntd. Rifles, 17s. ..	620	10 0
135 COLONELS.			1 of ditto ditto, 15s.	273	15 0
3 of Household Cavalry, £1,800 per annum	5,400	0 0	1 of Malta Fencibles, 13s.	237	5 0
1 of Cavalry of the Line, £1,100	1,100	0 0	1 of Canadian Rifles, 17s.....	310	5 0
5 of ditto	5,000	0 0	1 of St. Helena Regt., 17s.....	310	5 0
17 of ditto	15,300	0 0	1 of Newfoundland Company, 17s.	310	5 0
1 of Foot Guards	1,200	0 0	Pay of Lieut.-Colonels.....	£63,523	13 9
2 of ditto	2,000	0 0	Other allowances	3,101	8 0
33 of Infantry of the Line.....	19,800	0 0	259 MAJORS.		
69 of ditto	31,500	0 0	3 of Household Cavalry, 24s. 5d. per day.....	£1,335	16 3
3 of West India Regiments.....	1,500	0 0	28 of Cavalry of Line, 19s. 3d. ..	9,835	15 0
1 of Malta Fencibles, £2 5s. 6d. per day.....	850	7 6	7 of Foot Guards, 23s.	2,938	5 0
Canadian Rifle Regiment, allowance to	200	0 0	206 of Infantry of Line, 16s.	60,152	0 0
Yearly Pay of Colonels.....	£56,850	7 6	6 of West India Regts., 16s. ..	1,752	0 0
Allowance to Colonel of Foot Guards	1,093	8 10	3 of Ceylon Rifle Regts., 16s....	876	0 0
190 LIEUT.-COLONELS.			2 of Cape Mounted Rifles, 16s.	584	0 0
3 of Household Cavalry, 29s. 2d. per day	£1,596	17 6	1 of Malta Fencibles, 10s. 8d....	194	13 4
29 of Cavalry of the Line, 23s. ..	12,172	15 0	2 of Canadian Rifles, 16s.	584	0 0
3 of Foot Guards, 26s. 9d.	1,454	11 3	1 of St. Helena Regt., 16s.....	292	0 0
110 of Infantry of the Line, 17s.	43,435	0 0	Pay of Majors	£78,546	9 7
6 of West India Regts., 17s. ..	1,861	10 0	Other allowances	3,883	10 4
			Daily allowance of 8s. to the commanding officers of 113 battls.	6,186	15 0

1396 CAPTAINS.	Pay per An.
24 of Household Cavalry, at 15s. 1d. per day	£6,606 10 0
156 of Cav. of Line, 14s. 7d.	41,518 15 0
58 of Ft. Guards, 15s. 6d.	16,406 15 0
1064 of Infantry of Line, 11s. 7d.	224,925 3 4
36 of West India Regts., 11s. 7d.	7,610 5 0
3 of Newfoundland Com- panies, 11s. 7d.	634 3 9
22 of Ceylon Rfs., 11s. 7d.	4,650 14 2
12 of Cape Mounted Rifles, 11s. 7d.	2,536 15 0
6 of Malta Fencibles, 8s.	876 0 0
10 of Canad. Rfs., 11s. 7d.	2,113 19 2
5 of St. Helena Regts., 11s. 7d.	1,056 19 7
Yearly pay of Captains..	£308,936 0 0
Other allowances to Cpts.	62,117 1 4
1908 LIEUTENANTS.	
24 of Household Cavalry, 10s. 4d. per day	4,526 0 0
201 of Cav. of Line, at 9s.	33,014 5 0
74 of Ft. Guards, at 7s. 4d.	9,903 13 4
1444 Infy. of Line, at 6s. 6d.	171,294 10 0
72 of West India Regts., at 6s. 6d.	8,541 0 0
6 of Newfoundland Com- panies, at 6s. 6d.	711 15 0
44 of Ceylon Rif., at 6s. 6d.	5,219 10 0
12 of Cape Mounted Rifles, at 6s. 6d.	1,423 10 0
6 of Malta Fenc., 5s. 1½d.	563 9 4½
20 of Canad. Rifles, 6s. 6d.	2,372 10 0
5 of St. Helena Regt., at 6s. 6d.	593 2 6
Yearly pay of Lieutenants	£238,163 5 2½
174 CORNETS.	
24 of Household Cavalry, at 8s. per day	3,504 0 0
150 of Cav. of Line, at 8s.	21,900 0 0
Yearly pay of Cornets..	£25,404 0 0
26 RIDING MASTERS.	
Allowance in addition to their pay as officers	4,288 7 0
1010 SECOND LIEUTENANTS AND ENSIGNS.	
42 of Ft. Gds., 5s. 6d. a day	4,215 15 0
874 of Inf. of Line, at 5s. 3d.	83,740 2 6
36 of W. In. Regts., 5s. 3d.	3,449 5 0
3 of Newfoundland Com- panies, at 5s. 3d.	287 8 9
22 of Ceylon Rfs., 5s. 3d.	2,107 17 6
12 of Cape Mt. Rfs., 5s. 3d.	1,149 15 0
6 of Malta Fencibles, at 4s. 1½d.	453 19 4½
10 of Canad. Rfs., 5s. 3d.	958 2 6
5 of St Helena Regt., at 5s. 3d.	£749 1 3
Yearly pay of Second Lieu- tenants and Ensigns ..	£96,841 6 10½

133 PAYMASTERS.	Pay per An.
17 of Cavalry of the Line, at 12s. 6d. per day	£3,878 2 6
6 of Cav. of Line, at 15s.	1,642 10 0
67 of Infantry of the Line, at 12s. 6d.	15,284 7 6
36 of Infantry of the Line, at 15s.	9,855 0 0
1 Paymaster at 17s. 6d., 5 at 12s. 6d., and 1 at 8s.	1,606 0 0
Yearly pay of Paymasters	£32,266 0 0
Other allowances	1,035 17 6
162 ADJUTANTS.	
3 of Household Cavalry, at 13s. per day	711 15 0
23 of Cavalry of the Line, at 11s. 6d.	4,827 2 6
7 of Foot Guards, at 10s.	1,277 10 0
119 of Infantry of the Line, at 10s.	21,717 10 0
3 of W. I. Regts., at 10s.	547 10 0
7 other Adjutants	1,289 5 8½
Yearly pay of Adjutants..	£30,370 13 2½
161 Quartermasters, varying from 9s. 6d. to 6s. 6d. per day	20,107 13 11
3 Surgeon Majors of Foot Guards, at 18s. 9d.	1,026 11 3
159 SURGEONS.	
3 of Household Cavalry, at 13s. per day	711 15 0
23 of Cav. of Line, at 13s. ..	5,456 15 0
4 of Foot Guards, at 13s.	949 0 0
119 of Infantry of Line, 13s.	28,232 15 0
10 other Surgeons	2,281 5 0
	£37,631 10 0
235 ASSIST. SURGEONS.	
3 of Household Cavalry, at 8s. 6d. per day	465 7 6
28 of Cavalry of Line, at 8s. 6d.	4,343 10 0
204 others, all but one at 7s. 6d.	27,863 18 11½
Yearly pay of Assist. Surs.	£32,672 16 5½
27 Veterinary Surgeons, at 8s. per day	3,942 0 0
3 Solicitors of Foot Grds, at 3s. 9d. per day	205 6 3
20 Subadars Ceylon Regt. ..	1,022 0 0
20 Jemadars	684 7 6
Total for 5,995 officers..	£1,064,858 7 4½
Total allowances	75,519 13 0
	£1,140,378 0 4½
146 REGIMENTAL COR- PORALS AND SER- GEANT-MAJORS.	
3 of Household Cavalry, at 4s. per day	219 0 0

	Pay per An.
23 of Cavalry of Line, 3s. 6d...	£1,469 2 5
7 of Foot Guards, 3s. 2d.....	404 10 10
103 of Infantry of Line, 3s.....	5,639 5 0
3 of W. I. Regiments, 3s. 6d..	191 12 6
6 others at 3s., 3s. 2d., & 2s. 3d	318 4 8½
1 at 1s. 8d.	30 8 4
	£8,272 3 10¼
Other allowances to the fore- going non-commissioned officers	1,020 12 2
213 TROOP or COMPANY SERGEANT-MAJORS.	
24 at 3s. 6d.; 156 at 3s.; 30 at 2s. 10d.; and 3 at 1s. 11d. ...	11,730 3 9
Other allowances	1,459 3 0
1180 COLOR-SERGEANTS.	
58 of the Foot Guards, at 2s. 6d. per day.....	2,616 5 0
1064 of Infantry of Line, 2s. 4d..	45,308 13 4
58 other Color-Sergts., 2s. 4d., 2s. 6d., 1s. 7½d., and 1s. 5d.	2,155 0 5
	£50,109 18 9
Other allowances	8,370 13 4
120 QUARTER-MASTER SERGEANTS.	
Foot Guards, 2s. 8d.; Line, 2s. 6d. per day	5,502 7 6
Other allowances	843 1 8
29 Armourers, Schoolmasters, Paymasters' Sergeants, Hospi- tal Sergeants, and Orderly- room Clerks, varying from 1s. 8d. and 2s. to 2s. 6d.	25,466 14 8½
Other allowances	5,105 17 0
4948 SERGEANTS.	
64 of H'hold Cavalry, 2s. 6½d...	2,944 6 8
32 of ditto 2s. 3½d...	1,326 3 4
422 of Cavalry of Line, 2s. 2d...	16,686 11 8
174 of Foot Guards, 2s.....	6,351 0 0
For Deputy Marshal to the Foot Guards	51 6 6½
3915 of the Infantry of the Line, 1s. 10d.	130,989 7 6
311 other Sergeants, at 1s. 10d., 1s., 2s., 1s. 3½d., &c., per day	10,423 15 10
Yearly pay of Sergeants	£168,772 11 6½
Other allowances to Sergeants..	35,007 15 6
144 TRUMPET-MAJORS AND DRUM-MAJORS,	
At 2s. 9d., 2s. 6d., 2s. 2d., 2s. (Infantry), 1s. 10d., 1s. 11d., and 1s. 3½d. per day	5,019 10 2½
Other allowances	743 11 6
4 Kettle Drummers	161 4 2
Other allowances	32 6 6
2478 Trumpeters, Buglers, Fifers, and Drummers	53,512 16 0½
Other allowances	11,910 19 6
Total for 9,962 Non-commissioned Officers, &c.....	328,547 10 6¼
Allowances	64,494 0 2
	£393,041 10 8¼
6155 CORPORALS.	
532 of Cavalry of Line, 1s. 7½d...	15,777 2 6
232 of Foot Guards, 1s. 5d.	5,998 3 4

	Pay per An.
4960 of Infantry of Line, 1s. 4d...	190,693 6 8
150 of W. I. Regiments, 1s. 4d.	3,650 0 0
15 of Newfound., 1s. 4d.	365 0 0
118 of Ceylon Rifles, 30 at 1s. 4d., 8 at 9½d., and 80 at 10½d.	2,123 1 8
48 of Cape Mounted Rifles, 1s. 4d.....	1,168 0 0
30 Malta Fencibles, 1s.....	547 10 0
50 Canadian Rifles, 1s. 5d.	1,292 14 2
20 St. Helena Regiments, 1s. 4d.	486 13 4
Yearly pay of Corporals..	£152,101 11 8
Other allowances	29,543 5 0
186 Farriers	4,453 0 0
Other allowances	805 16 0
FARRIERY ALLOWANCES	
To Household Cavalry, Cavalry of the Line, & Cape Mounted Riflemen	15,521 12 6
116,471 PRIVATES.	
686 Household Cavalry, 1s. 11½d.	24,256 10 7½
343 Household Cavalry, 1s. 8½d.	10,563 6 6½
8685 of Cavalry of the Line, 1s. 3d.	198,126 11 3
4408 Foot Guards, 1s. 1d.....	87,149 16 8
94,240 Infantry of the Line, 1s.....	1,719,880 0 0
2850 West India Regiments, 1s...	52,012 10 0
285 Newfoundland Comps., 1s...	5,201 5 0
1520 Ceylon Rifles, 9d.	20,805 0 0
570 Ceylon Rifles, 1s.	10,402 10 0
145 Ceylon Invalids, 8d.	1,764 3 4
900 Cape Mounted Rifles, 1s.	16,425 0 0
534 Malta Fencibles, 8½d.	6,903 1 3
950 Canadian Rifles, 1s. 1d.	18,782 5 10
355 St. Helena Regiment, 1s....	6,478 15 0
Total pay of 122,812 rank and file	£2,178,750 15 6¼
Other allowances to Privates....	283,400 13 6
Remount allowances for House- hold Cavalry.....	3,360 0 0
To Officers of Cape Mounted Rifles	749 3 4
Eighty Boys of Ceylon Corps ...	547 10 0
Foot Guards recruiting and hospi- tal expenditure	9,257 11 6
Agency, at 11d. per troop for Ca- valry, per day	2,258 8 9
Ditto, at 1s., for India	821 5 0
Ditto, at 6d. per Company for Infantry.....	10,512 0 0
Ditto, at 1½d. per £1, viz., pay and allowances	22,910 19 0¾
Ditto, at 6d. per Company for certain Colonial Corps	273 15 0
Ditto, at £1 per Company, per annum, for all Colonial Corps	60 0 0
Charge of 122,812 rank and file, of allowance for their cloth- ing, and of regimental al- lowances	£2,335,852 17 2¼
Charge of 9,962 of Non-commis- sioned Officers and of their clothing.....	328,547 10 6¼
Charge of 5,995 Officers and of their allowances	1,064,858 7 4¾
	£3,729,258 15 1¼
Fractional parts of 1d. added or omitted in Estimate....	0 0 3¼
Total pay and daily allowances	£3,729,258 14 10
„ annual allowances	104,408 0 4
„ agency	36,836 8 0
„ clothing	378,242 14 8
Total Regimental charges for 138,769 Men.....	£4,248,745 17 10

PARTICULARS OF OTHER ALLOWANCES AND BRANCHES OF EXPENDITURE.

FORAGE.

Money allowances to field and staff officers of Infantry at home, in lieu of forage £8,000 0 0

LODGINGS.

Lodging money for men quartered on the inhabitants in Scotland, and for soldiers in Ireland, £1,500; lodging money to men permitted, as an indulgence; to find their own lodgings when the corps is in barracks, £300; allowance to men in quarters, £1,100; to officers on leave at home, after service on the coast of Africa, £200. Total for lodgings 3,100 0 0

HOSPITALS, MEDICINES, SICK, &c.

Charge of general and regimental hospitals at home and abroad, £59,861; cost of medicines and surgical instruments, and carriage of ditto, £13,000; subscriptions—to the Ophthalmic Hospital of £50 a-year; and to the Westminster Small Pox, and St. George's Hospital, of £5 5s. each a-year; allowances to private medical practitioners, and medical bills, £3,500; cost of horse medicines, £400; deduct stoppages from the pay of soldiers in hospitals (which go to defray hospital expenses,) £65,230; and contribution from farriery allowances, £920. Total for hospital expenses, exclusive of the pay of medical officers 10,676 15 0

DIVINE SERVICE.

Allowances to officiating Clergymen, for performing Divine service at home and abroad, £16,500; cost of religious books and carriage thereof, £300. For Divine service 16,800 0 0

MOVEMENT OF TROOPS.

Hire of carriages on a march, £12,000; allowances to officers on a march by route, £4,400; marching money for men, (including allowance for hot meals in England, which landlords of inns are obliged to furnish at 10d. per man,) £11,000; travelling expenses of officers, £2,500; passages of officers and men from one port to another in the United Kingdom, and charges for conveyances by railway and canal, and for ferries, £28,000; allowances to officers detained at a port of embarkation, £550; conveyance of wives and children not allowed to embark with soldiers ordered to proceed on service abroad, £250. Total for movement of troops (but exclusive of the expense of the transport conveyances to foreign stations)..... 58,700 0 0

[NOTE.—Those transport charges incurred on account of the army, but charged to the navy, amount to £217,500.]

ADMINISTRATION OF MARTIAL LAW

Charge for military prisons, £20,910. For allowance to non-commissioned officers acting as provost sergeants, in garrison and barrack cells, at home and abroad (in addition to their regimental pay), to find whip cord, or thongs for cats-o'-nine-tails, &c. &c., £2,000. Inspector of military prisons, £300; allowance to him for an office and clerk, and for travelling expenses, £300; cost of law proceedings, £300. Allowance to deputy judge advocates, witnesses, &c., at courts martial, including travelling expenses, £1,900. Subsistence and expenses on routes of deserters and their escorts, and rewards for apprehension of deserters, £3,000. Charges for escorting prisoners to and from the military prisons, £2,000. Necessaries for soldiers sentenced to transportation, £100. Total for administration of martial law (exclusive of the Judge Advocate-General's office 30,810 0 0

SCHOOLS AND LIBRARIES.

Inspector-General of Schools, salary £450; travelling expenses, £200. Allowances to regimental schools, £5,000. Cost of books for barrack

libraries and regimental schools, at home and abroad, £2,700. Stationery for barrack libraries and repairs of books, £500. Deduct subscriptions, £500. Total for schools and libraries

8,350 0 0
9,540 5 5

ESTABLISHMENTS AT CHATHAM, MAIDSTONE, &c.

RECRUITING.

Charge for the recruiting departments in London, £1,711. Salary of the central agent of the recruiting department, office, clerks, &c., £1,350. Charge for recruiting districts pay and allowances, contingent expenses, &c., £23,512; as follows:—Bristol, £2,106 12s.; Coventry, £2,318 19s. 11d.; Leeds, £1,979 16s. 1d.; Liverpool, £2,725 3s. 10d.; London, £3,597 18s.; Glasgow, £2,274 15s. 2d.; Edinburgh, £1,001 11s. 3d.; Dublin, £2,666 8s. 6d.; Newry, £2,259 4s. 6d.; Cork, £2,581 9s. 4d. In those ten districts, there are to each, an inspecting field officer, one adjutant, one paymaster, one staff-surgeon, one sergeant-major, one sergeant clerk, from two to nine conducting sergeants, various clerks, &c. The soldiers employed in recruiting receive regimental pay from their respective regiments. Allowance and expenses of 43 superintending officers, in addition to their pay, as charged in the foregoing items, £5,204; levy-money of £12,900 recruits, £69,850; allowance for cavalry equipments, £1,170. But, in addition to this allowance, each cavalry recruit commences service indebted to the clothing colonel of his regiment, or the quartermaster, to the amount of £3 or upwards, which is paid by stoppages on his daily pay. Next we have levy money of 1,500 recruits for colonial corps, £6,000; travelling expenses of officers on the recruiting service, £200; marching allowance, and cost of conveyance for recruits, escorts, &c., £4,000; medical attendance on recruiting parties and recruits, £400; travelling allowance to registered recruits, £300; allowance for purchase of horses for the household cavalry, £3,360; purchase of 700 horses for the cavalry of the line, at £26 5s each, £18,375; expense of ditto prior to joining their regiment, at £2 10s., £1,750; purchase of remnant horses of the Cape corps, £10,000. Total for recruiting £147,187 0 0

On the allowance of £26 5s. for the purchase of young horses, it is to be remarked, that though occasionally a horse may be purchased at a higher sum, the average price never amounts to £26 5s. It is customary to purchase two-year old fillies and colts at low figures; get a summer's grass and a winter's hay and corn for them out of the regimental forage allowance, without any cost to the head colonel (who, besides dealing in clothes, deals in horses). He pockets the difference between the price of the filly or colt and the sum of £26 5s. allowed for the purchase of a full-grown horse.

ALLOWANCES TO DISCHARGED SOLDIERS AND THEIR FAMILIES.

To take them home, and, in certain special cases, to their native place abroad, and to widows and children of deceased soldiers, and matrons of orphans, £6,000. Gratuities to soldiers discharged by indulgence, &c., £6,500. Total for allowances to discharged soldiers

12,500 0 0

REGIMENTAL SAVINGS' BANKS.

Charge for interest on deposits

2,500 0 0

MISCELLANEOUS.

Regimental postage and stationery, and hire of guard and store rooms, £7,000; allowance to officers and men for loss of baggage, of necessaries, and of horses, and compensation for officers' horses shot for the glanders, and for appointments (bridles, &c.), destroyed to prevent infection, £2,000; barrel bulk allowances at certain stations abroad, £600; paid allowances to officers encamped, £6,000; cost of military gazettes furnished to general officers abroad, £280; allowance to first major of Foot Guards, in lieu of apartments at the Horse Guards, and of coals and candles, £266 18s. 4d.; compensation to field officers of Foot Guards, for loss of rent of Sutlinghouse, at St. James's, £33 2s.; allowance to certain soldiers of cavalry, in lieu of boots, spurs, &c., £400; allowance to officers, for the hire of black male servants in tropical stations, £5,500; cost of batons for field marshals (nothing in 1848, as no generals have this

year attained that rank; but £315 last year for the Marquis of Anglessea's baton, and £315 in — for that of Field Marshal Prince Albert); various miscellaneous payments, including unforeseen charges, £3,000. Total for miscellaneous..... 25,080 0 4

GUERNSEY AND JERSEY MILITIA.

For drill sergeants, &c. 2,802 0 0
 [These Islands pay few taxes; they should pay for drilling their own militia.]

Gross charge of the land forces..... 4,780,904 16 11

Of which is to be defrayed by the East India Company..... 809,782 13 9

Leaving a charge of 3,971,122 3 2

From this charge is to be deducted the following appropriations in aid of payment:—

Amount of sums received on account of effects of officers and soldiers, officers' remittances, &c., and deserters' balances, &c., beyond the payments on those amounts, £49,306 7s. 8d.; proportion of outstanding balances due to the public on examined accounts of former periods which has now been brought to credit, £349 2s.; amount of sums received from anonymous correspondents, £12; amount of sums received from men who have been permitted to purchase their discharge, £38,864 19s.; amount received from men, who, after hastily enlisting, have deserted and paid smart money, £4,319 6s.; produce of the sale of cast horses, £4,072 0s. 9d.; amount of penalties recovered from individuals for offences under the mutiny Act, £277 8s. 8d.; salary and lodging-money of officiating clergymen at Corfu (included in the charge for Divine service), the amount being defrayed out of the colonial revenues of the Ionian Islands, £640 16s. 3d.; contribution from the revenues of Ceylon, in aid of the military expenditure, £24,000; contribution from the revenues of of Malta, in aid of the military expenditure, £12,400.

The whole sum to be deducted being 134,242 0 4

SECTION V.

INTERMEDIATE OBSERVATIONS.

While the publication of these sections is still in progress and incomplete, their subjects have become questions of discussion and criticism. The Association court discussion and criticism. To meet both, they are careful of their facts. They are careful to publish nothing which cannot be substantiated by official documents. They are careful, when holding public meetings, to impress on those who enter into discussion to confine themselves, as closely as possible, to the financial objects of the Association; but beyond this, they have no control over the speakers, and are not responsible for every expression or allegation that may fall from a speaker! yet, in respect of a speech delivered at a public meeting held in Liverpool, on the 15th of November, 1848, on the expenditure and constitution of the army, which has given rise to much public animadversion and no little misrepresentation, they adopt it as theirs. It is substantially correct. The sections on War Expenditure now before the reader, and this itself, will justify all that was said at that public meeting about the army, and more of a condemnatory nature than was then said.

It has been alleged that "the effective services are estimated to cost £4,201,178, out of this sum upwards of 108,000 men are provided with food, clothing, lodging, arms, and medical attendance. If we allow £32 per head per annum for these purposes (and we do not see how they can be effected for much less), this makes £3,464,000, leaving for the 4,362 officers £737,178; which gives them, on an average, very nearly £150 a-year each."

To this the Association reply that the 108,000 men are not provided with lodgings or arms by the Army Estimates. All barracks in which soldiers are lodged, all barrack furniture, beds and bedding, and all arms, are charged for in the Ordnance Estimates, as shown in previous sections of the present analysis of warlike expenditure. So also is part of the clothing of the army. Again,

medical attendance to the 108,000 soldiers is paid for out of their daily pay, by toppages upon that pay while they are in hospital. But not so the officers; they receive medical attendance at the public expense, and are liable to no toppages in payment of it. On the contrary, extra charges are laid upon the public purse to supply them with servants, nurses, and attendance. As to the average of their pay being but "very nearly £150 per annum," as alleged, the disproof of that allegation, and the proof of what the amount really is, will be found set forth at length in the previous, the present, and the future sections of his analysis.

It is also charged against the Association, that a speaker at the public meeting on the 15th of November, "Assured a simple-minded Liverpool audience that 'the true reason of the estimates being kept up is to furnish comfortable, gentlemanly, and lucrative situations for our deserving aristocracy; that our standing army is officered by 5,734 gentlemen, men who spurn an honest trade, or the profession of a merchant, but who, nevertheless, dabble in the commission market for their own aggrandisement,'" &c.

This is not a fair quotation of what was said; but, taking it as here given, it is amply borne out by the experience of the most distinguished military commanders.

According to the Duke of Wellington, the officers who have adopted the army as a profession, are not to be relied upon when they can turn the commissions, which family influence may have obtained for them, into marketable commodities, or when hard service or real service suggested the convenience of selling the commissions they had purchased in times of easy service.

Lord Wellington wrote from Portugal and Spain to the Secretary of State in London on several occasions, as may be seen in his Despatches, that, though it was an honour to the British nation to be a commercial people, it was the misfortune of the army to have officers sent out to it who got their commissions granted at home, and who only remained long enough in the field to make them marketable at a profit.

To the Right Hon Henry Wellesley, in respect of appointing British officers to the command of Spanish troops, he wrote, on the 23rd December, 1810,—
"British officers, of inferior rank, to be of any use, would require support and authority to enforce their discipline. *They would also require the control of authority, and that of no ordinary kind, to keep themselves in order.*"

To Lieutenant-Colonel Torrens, Military Secretary to the Commander-in-Chief (in London) he wrote,—

Celorico, 4th August, 1810.

"MY DEAR TORRENS,—Captain the Honourable H. Pakenham," (brother-in-law of Wellington,) "of the 95th Regiment, has desired me to recommend him again for promotion, which I do most anxiously, and I really do not believe there is a more deserving officer in the King's army."

After some observations he proceeds,—

"My secretary keeps the register of the applications, memorials, and regimental applications, a trouble which, by the bye, might as well be saved; and I, who command the largest British army that has been employed against the enemy for many years, and who have upon my hands certainly the most extensive and difficult concern that was ever imposed upon any British officer, have not the power of making even a corporal! It is impossible that this system can last; it will do very well for trifling expeditions and short services.

* * * * *

It is not known to the army and to strangers, and I am almost ashamed of acknowledging the small degree (I ought to say nullity) of power of reward which belongs to my situation; and it is really extraordinary that I have got on hitherto so well without it. But the day must come when this system must be altered. I do not entertain those opinions and communicate them to you because there are any officers attached to me in the service for whom I desire promotion. All my aides-de-camp respecting whom I do feel an interest have

been promoted in their turn in their regiments, or are to be promoted, for carrying home the accounts of victories; the only person respecting whose promotion I ever interested myself personally was that of Colin Campbell, which the Duke of York had promised him in consequence of his having brought home the accounts of two victories at the same time; and the difficulty which I experienced in obtaining his promotion, notwithstanding that promise, is a strong practical proof of the effects of the system to which I have adverted."

He had many reasons to complain of the want of spirit among the officers, and frequently did complain of their disposition to murmur and spread dismal tidings or forebodings. To Marshal Beresford, on the 8th September, 1810, he wrote of the officers in that respect:—"The croaking which already prevails in the army, and particularly about head-quarters, is disgraceful to us as a nation, and does infinite mischief to the cause."

To the Ambassador at Lisbon, the Hon. Mr. Stuart, relative to the want of sympathy and support from the Portuguese Government, whose independence the British army was contending for against the French, he added,—“Indeed the temper of some of the officers of the British Army gives me more concern than the folly of the Portuguese Government. * * * There is a system of croaking in the army which is highly injurious to the public service, and which I must devise some means of putting an end to, or it will put an end to us. Officers have a right to form their own opinions of events and transactions; but officers of high rank or situation ought to keep their opinions to themselves. If they do not approve of the system of operations of the commander, they ought to withdraw from the army; and this is the point to which I must bring some, if I do not find their own good sense prevents them from going on as they have done lately.”

But the inferior officers were not the only gentlemen that were difficult to control. To the military secretary in London he wrote from Cartaxo on the 28th of January, 1811:—"I am much annoyed by the general and other officers of the army going home. They come to me to ask leave of absence, under pretence of business; at the same time I know that many of them have no business. At this moment we have seven general officers gone or going home; and, excepting myself, there is not one in the country who came out with the army, except General Alexander Campbell, and who was all last winter in England."

And on British officers in general, without specifying their rank, Lord Wellington writes thus to the Earl of Liverpool, Secretary of State:—

“British officers require the control of authority, and that of no ordinary kind, to keep themselves in order and in a state of subordination.”

And, it seems, the chaplains were not better disposed to good service than the other officers. Writing of chaplains from Cartaxo, he said:—

“Really we do not get respectable men for the service: I have one excellent young man, Mr. Briscall, who is attached to head-quarters, and who has never been one moment absent from his duty; but I have not yet seen another who has not applied and made a pitiable case for leave of absence immediately after his arrival.” But even Mr. Briscall seems to have merited the approbation of the Commander-in-Chief by his activity in suppressing the forms of religion which grew up in the army in the absence of the chaplains. In the same despatch Lord Wellington wrote:—"It has come to my knowledge that Methodism is spreading very fast in the army. There are two, if not three, Methodist meetings in this town, of which one is in the Guards. The men meet in the evening and sing psalms; and, I believe, a sergeant (Stephens) now and then gives them a sermon. Mr. Briscall has his eye upon these transactions.”

Nor was the Commissariat department, which was charged with the duty of feeding the troops, better officered than the departments of fighting and Divine service.

To Colonel Gordon, Commissary-in-Chief, Lord Wellington wrote, on the 19th December, 1810,—“My opinion agrees entirely with yours respecting the

expediency of preventing the offices in the Commissariat from becoming objects of Parliamentary patronage." But neither Lord Wellington, then complaining of the system of patronage at the Horse Guards, nor any one complaining of it since, has been able to check Parliamentary or family influence from disposing of military offices. Then, as now,—now, as then,—the good places in the Government services are deemed to be the national emoluments of the powerful political families. And Major-General Napier, the historian of the Peninsular War, says that the war only succeeded in defiance of political corruption at home and the cold shade of the aristocracy. Nor was it among the officers of the army alone that merit gave way to political influence. According to the Duke of Wellington, on many occasions, and particularly on the 31st of March, 1811, in a despatch to Lord Liverpool, Secretary of State, there were political job-makers, some of them related to the highest families in the kingdom, who obtained contracts to supply the army with cheap and bad shoes, too small for the year, but for which the soldiers had to pay a large price out of their daily pay.

Nor did the officers improve as the campaign proceeded. Lord Wellington, at the end of 1811, had as many general officers with "honourable" attached to their names, indicating their family rank, as he had of general officers without that distinction; but he complained of the want of "respectable" general officers. The officers of the medical departments were also complained of, especially the principal doctors. Writing of their leaving service, to the Military Secretary in London, on the 30th of October, 1811, he said,—“I am very unlucky in this respect;” and he proceeded once more to complain of his principal officers, all who were then with him, excepting one, being Lords or gentlemen of distinguished birth. Excepting in the quarter-master-general's department, he said,—“I have had two, in some instances three, different persons at the head of every department in the army. Here have been three officers second in command; and general officers commanding divisions, and brigades, and officers have been changed repeatedly.”

To Lord Liverpool he wrote that, by letters intercepted from France, he had reason to believe that Bonaparte was coming to Spain to command the French in person. And the same day, writing to Sir William Beresford on the same subject, he says,—“You will see the despatches to Government. I have no doubt that, unless the design has been altered since the end of June or beginning of July, we shall have the Emperor in Spain, and hell to pay before much time elapses.” And again,—“All that I am afraid of is this, that on some fine day I shall be found with this large army without the assistance that is necessary to conduct it. However, I must do my best.”

From Portalegre he wrote to Colonel Torrens, Military Secretary,—“While preparations are making for an enterprise which I intend to try, as usual all the officers of the army want to go home,—some for their health, others on account of business, and others, I believe, for their pleasure.”

But his difficulty was not alone with the Lords and gentlemen, who “as usual, wanted to go home when preparations were making for an enterprise which he intended to try.”

On the 2nd December, 1811, in a despatch to the Military Secretary at the Horse Guards, London, he again alluded to the difficulty he had with the higher class of officers, and said “There are two” (commanding brigades) “with whom we could dispense with advantage,—and——. They are both respectable officers as commanders of regiments, but they are neither of them very fit to take charge of a large body. I understand that —— wishes to return home to unite himself with a lady of easy virtue; and —— has been very ill lately, and might be induced to go. I shall try if I can get them away in this manner, as I would not on any account, hurt the feelings of either.”

The system which vexed Wellington in the field of active service has not been amended in the office of official repose. In future sections we shall see the corrupt expensiveness of our military staff, at home and abroad, demonstrated.

Meanwhile, if we glance at any military station, we see the unsoundness of the system now prevalent.

Looking to the staff in North America, we find the regiment of Grenadier Guards able to do duty in London, while three of its officers are with the Governor-General of Canada, several others being elsewhere, while the 20th Foot, reported to be a "crack regiment," and the Rifle Brigade, each furnish, for Canada (and others to be absent elsewhere). First, we have Lieutenant-Colonel Bruce, brother of the Earl of Elgin, the Governor-General, who draws pay from the Grenadier Guards, shares in various allowances which fall to officers of his rank, and receives pay as military secretary in Canada; where, also, he has free quarters, a free table, forage for horses, allowance of servants, and a staff of clerks to do the real duties of secretaryship.

Second, the Honourable E. Lascelles, son of the Earl of Harewood, who draws pay, and other allowances, from the Grenadier Guards, and as aide-de-camp to the Earl of Elgin, with free quarters, forage for horses, allowance for servants, &c.

Third, the Hon. A. F. Egerton, son of the Earl of Ellesmere, who draws the pay of the Grenadier Guards, and as aide-de-camp to Lord Elgin, with free quarters, forage, servants, &c.

Fourth, Lord Mark Kerr, brother of the Marquis of Lothian, draws pay as captain from the 20th Foot, and as aide-de-camp to the Earl of Elgin, with free quarters, forage, servants, &c.

Fifth, the Earl of Errol draws pay as captain in the Rifles, and as aide-de-camp to the Earl of Elgin, with all the usual allowances.

All these are young men who have had no opportunity of deserving to be thus rewarded, even if their inherent ability were of the highest order.

The pay of the Earl of Elgin, as Governor-General, is £7,000, with some additions, but it falls upon the colonial revenues.

Next, we have the Commander of the Forces in Canada, Sir Benjamin D'Urban, and his staff of four, three of whom are regimental officers, absent from their regiments. Sir Benjamin himself receives £9 9s. 6d. per day, being £3,458 7s. 6d. per annum as Commander of the Forces, £600 per annum as head colonel of the 51st Regiment of Foot, and £640 7s. 7d. as profits on clothing that regiment—these profits being estimated according to the return made to the order of the House of Commons in 1844, none having been since made.

His military secretary is Captain Kirkland, of the 20th Foot, who draws pay and other allowances from that regiment; 19s. per day as secretary, with forage for horses, allowance for servants, house rent; five clerks, one at 12s. 6d., three at 10s. 8d. each, one at 7s. 9d. per day to assist him; and two other extra clerks, at 7s. and 6s. 8d. respectively, to assist the former clerks, with office-keepers, messengers, and various other assistants.

The first aide-de-camp is Major Talbot, of the 43rd Foot, who draws pay from that regiment, besides allowances; also pay as aid-de-camp, with keep of horses, servants, &c.

Second, Sir James E. Alexander, who draws pay from the 14th Foot, with allowances in addition; and pay as aid-de-camp, with keep of horses, servants, &c.

Third, Captain V. Murray, who draws half-pay as a captain, and is paid out of the colonial fund.

Next, there is Sir John Harvey, who has £3,000 per annum as Governor of Nova Scotia, £500 as head colonel of the 39th Regiment, and from £600 to £700 per annum as profits on the clothing of that regiment, according to the returns of 1844.

His aid-de-camp is Lieutenant Harvey, of the 34th Foot, who draws pay from that regiment, though he does no duty with it; and pay with free quarters for himself, horses, servants, &c., at Halifax, as aide-de-camp.

There is also Lieutenant Gore, of the 71st Foot, drawing pay from that regiment, and pay as aide-de-camp to the Honourable C. Gore, a major-general in

Canada; and Major Moore, of the 82nd Foot, drawing pay from that regiment, and as aide-de-camp to Major-General W. Rowan, at Halifax.

There are, in North America, upwards of thirty other officers receiving double pay, and various emoluments for one set of duties.

And, turning to the staff at home, the same description of officers are employed.


Lord Fitzroy Somerset has £2,000 as secretary to the Commander-in-Chief; £300 a-year as pension for wounds; £600 a-year as colonel of the 53rd Regiment; and £835 15s. 7d. as profits on the clothes supplied by him to that corps, besides apartments and keep for horses and servants. The first aide-de-camp is the Honourable George Anson, receiving pay as a colonel and as aide-de-camp, with allowance for horses, servants, &c.

Second, Arthur Marquis of Douro, the eldest son of the Commander-in-Chief, draws half-pay as Lieutenant-Colonel unattached, and with horses, servants, &c., as aide-de camp.

Third, the Earl of March, son of the Duke of Richmond, drawing half-pay as a captain, and pay as aide-de-camp.

Fourth, the Marquis of Worcester, captain of the 7th Hussars, drawing pay as such, and as aide-de-camp, with allowance for horses, &c.

NOTE.—In the first edition of this tract the amount of pay of the several officers was given according to their rank indicated by the Army register. In the case of those belonging to the Foot Guards, they hold a higher "army rank" than they draw pay for. The sums are omitted in this edition because they lead to misapprehension. The Association did not publish those items of pay as evidence of an excess of pay: they did so to show that regiments had more officers than enough; the proof being that from the regiments named (as from almost every other in the service) officers are absent for years together, and yet continue to draw regimental pay as if present.

 *This subject will be continued in the following Tracts.*

FINANCIAL REFORM ASSOCIATION,
Liverpool, November, 1848.

FINANCIAL REFORM.

The Financial Reform Association was instituted in Liverpool, on the 20th of April, 1848, for the following

OBJECTS.

1st. To use all lawful and constitutional means of inducing the most rigid economy in the expenditure of the Government, consistent with due efficiency in the several departments in the public service.

2nd. To advocate the adoption of a simple and equitable system of direct taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensively-collected duties upon commodities.

Political partisanship is distinctly disowned, the Association being composed of men of all political parties.

ROBERTSON GLADSTONE, Esq., President.

TERMS OF MEMBERSHIP.—Five Shillings per annum for the year ending 19th April, 1849. A Subscription of Ten Shillings and upwards will entitle Members to receive all the publications of the Association free by post.

The publications issued up to 1st December, 1848, are—Reports of the Public Meetings of the Association, and Tracts Nos. 1, 2, 3, 4, and 5.

No. I. treats of the CIVIL LIST, of the augmentation of National Burdens since George I.; of her Majesty's Privy Purse, Household Salaries, Household Tradesmen's Bills, Bounties, and Charities; and also of the Departments of the Lord Chamberlain, the Lord Steward, the Master of the Horse, the Mistress of the Robes, and of all those idlers whom ages of custom have permitted to be fixed on the Royal establishment, eating up her Majesty's Royal income, and leading the public to believe that Royalty is more costly than it really is.

No. II. treats of the PENSION LIST.

No. III. of TAXATION: its Amount and Sources; its Effect on the Physical Condition of the People; and on the Trade of the Country.

No. IV. on the ARMY EXPENDITURE.

No. V. on the ARMY, ORDNANCE, COMMISSARIAT, NAVY, and COLONIAL EXPENDITURE.

N.B.—Public Meetings are held on the third Wednesday of every month; the Council meets every Monday and Thursday; and the Secretary attends the Office daily. Sections of the Tracts, in printed slips, are forwarded once a week to nearly every newspaper in the Kingdom.

Post-office orders to be made payable to EDWARD BRODRIBB, Esq., Treasurer of the Association, North John-street, Liverpool.

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FINANCIAL REFORM TRACTS.

No. 5.

THE ARMY, ORDNANCE, COMMISSARIAT,
NAVY, COLONIES.

THE present Tract is chiefly occupied by an examination of the Ordnance Estimates and the war expenses of some of the Colonies. The last Tract ended with a reference to the military staff of the Governor-General of Canada. The present opens with the ordinary staff expenses of that colony and its dependencies. The Association make no complaint of the amount of pay to individual officers for actual services rendered, though they may not approve of the nature of those services; but they complain, and shall do their utmost to make the nation understand the grievance, of officers being paid for alleged duties which they do not perform. If regimental officers can be spared from their regiments to do trifling duties for lucrative emoluments elsewhere, the fact proves the regiments to have more than enough of officers.

But even if the army, navy, and ordnance corps were kept up to their present numerical strength, there might still be millions sterling saved by a revision of the war establishments, there being a War-office, Ordnance-office, Admiralty-office, with a Navy-office, Commissariat-office, Colonial-office, Treasury-office, &c., all making appointments in the colonies, each without the knowledge of the others, often of the same persons to perform duties which each department requires; but more frequently appointing distinct sets to persons to perform one class of services which one set of public servants is competent to perform, the expenses become multiplied to an amount altogether unnecessary, if one board of management controlled the whole war establishments.

SECTION VI.

THE STAFF IN CANADA.—(Continued)

There are, in Canada and its dependencies, Colonel Wetherall, in receipt of pay as a lieutenant-colonel, and at 19s. per day as deputy adjutant-general, with a number of clerks, town-majors, town-sergeants, office-keepers, clerks to town-majors, fort-sergeant, &c., under him, several of them drawing pay through his department, while they also hold office under the Ordnance or Commissariat, and draw pay through those departments. Two assistant adjutant-generals at 14s. 3d. per day each. These are Lieutenant-colonels P. Young and Sir D. Pritchard, receiving, also, the pay of lieutenant-colonels unattached; two deputy assistant adjutant-generals at 9s. 6d. per day each, and drawing the pay of captains in addition; one deputy quarter-master-general at 19s. per day, with pay as a major unattached, with various allowances, and with a staff of clerks at 12s. 6d. per day down to 6s. 8d., with assistant clerks, office-keepers, store-keepers, messengers, a "man in charge of the plains of Abraham," and extra clerks, temporary clerks, &c., for all of which the British taxpayers are charged in the Army Estimates, for not a few of which they are again charged in the Ordnance Estimates, besides paying for some of them on the medical staff and as civil servants; one assistant quarter-

master-general at 14s. 3d. per day, with regimental pay of a captain and perquisites in addition; two deputy assistant quarter-masters-general at 9s. 6d. each, with the pay of captains, one of them Captain Ready, of the 71st foot, leaving his regimental duty unperformed; three town-majors at 7s. 6d. per day each, two of them with half-pay of captains, one with the full pay of captain, and all with numerous perquisites; two fort-adjutants at 4s. 9d. each, with the pay of lieutenants; Brigade-major Tryon at 9s. 6d., besides his major's pay; one assistant military secretary at 9s. 6d. (Lieutenant Bourke, of the 34th Foot, absent from regimental duty, but drawing his pay as a lieutenant), with two clerks and other assistants to perform the duty; two sub-inspectors and deputy-adjutants of militia, drawing regimental pay as captains and as staff officers, one of them half-pay in addition, besides being an officer paid on the Ordnance staff (the precise emoluments not ascertainable); two town-majors 4s. 9d. each, and one town-adjutant 4s. 9d., a captain and lieutenant on half-pay, each with clerks and other assistants. The major-general commanding, who receives pay as such, £1 17s. 11d. per day, is set down as receiving no staff pay, but, on the examination of allowances, it is seen that he draws from the Army Estimates £691 10s. 7d. Also, there is charged, upon the Ordnance, and not on the Army Estimates, in Canada, one colonial commandant at £1,003 per annum, in addition to his regimental pay; one major of brigade at 10s. 6d., besides artillery pay of 18s. 1d. per day, and additional allowances because he is employed; one colonel on the staff of Royal Engineers £1,000 per annum as commandant, £1 6s. 3d. per day, and various allowances unascertained; lieutenant-governor in Prince Edward's Island at £1,060 per annum, with pay as a lieutenant-colonel; also a pension to C. D. Smith, Esq., late lieutenant-governor; and other charges, £2,700.

In Bermuda, which is financially, though not geographically, a portion of Canada, the governor, Captain Elliott, with salary as governor, £1,500 per annum; additional salary, £699 13s. 4d.; additional colonial salary, £480; additional salary from Crown rents, £46 18s. 10d.; fees, £183 0s. 11d.; besides other allowances not ascertained. This is a comfortable berth for a Sea-Captain, and not a bad one even for an Elliott; but such was the influence of his family, that he was made a Post-Captain at so early an age that he is in danger of being promoted by seniority to be an Admiral, by which he would lose Bermuda, unless his relatives, Lord Minto or Lord John Russell, should interfere to set the rules of the service aside in his favour. The governor's aid-de-camp is the Honourable Lieutenant Grant, of the 42nd Regiment, who draws his pay without duty; does the duty of aid-de-camp without pay, according to the estimates, but is paid, notwithstanding, probably from that mysterious item, "Command Money," £1 per day (?). [For civil services at Bermuda we are taxed for the salary of Chief Justice, £800, whose fees are £46 3s. 6d.; salary of Colonial Secretary, £550, whose fees are £402 17s. 4d.; salary of Attorney-General, £500, additional salary, £90; fees in addition.] There are also charged upon the Army Estimates for Bermuda, a fort-adjutant, a town-sergeant, one assistant-surgeon, one medical storekeeper, at various rates of pay. And upon the Ordnance Estimates, one storekeeper, £289; two clerks, £290; one temporary clerk, £59; glebe rents, £17; allowance for medical attendance, £30; and other expenses, making £785. This, at first sight, seems to be all; but elsewhere in the estimates, coming under the denomination of "Barrack Establishment," we find there is a sum of £1,171 charged for the barrack-master, barrack-sergeant, washer-

women, chimney-sweepers, &c. This seems to be the last; but, turning to the Navy Estimates, we see £16,500 required for public buildings in Bermuda; and, again, there is for that island, for ordinary and particular repairs and painting, £1,097; and, again, for ditto, £439 to the medical department. There is, also, in the Miscellaneous Estimates, an item which may be here noticed, though it is not a part of our military colonial expenditure, namely, £48,865 for the maintenance of convicts there, and "expected to be sent there."

Other items in the Navy estimates for Bermuda are:—wages to artificers employed in the naval yards, £7,200; wages in the victualling establishment, £1,020. Also, under the head her Majesty's establishments abroad, there are, for Bermuda, a deputy inspector of hospitals, surgeon and medical storekeeper, two assistant surgeons, a clerk, and a number of minor officers, most of whom, there is reason to believe, draw pay in other departments, £1,661. Again, in the naval yard at Bermuda, £2,487. And, again, there is the agent victualler at Bermuda, £400 per annum; clerk to ditto, £120; allowance and small expenses, £25.

Again, at Bermuda, there is the naval storekeeper, £600; naval chaplain, £400; boatswain, £200; two clerks to storekeeper, £550; foreman of shipwrights, £250; foreman of carpenters, £150; cabin-keeper, £120; rent of a house while the Admiralty house is rebuilding, £100; other sums for regulating the clock, and to the clerk of the chapel, £87. There are, also, the officers of the Commissariat at Bermuda.

In all the other naval and military stations in North America there are similar charges. At Quebec and Montreal our taxes go to pay even the pew-openers of the churches; and the officers of our military commissariat are paid at the rate of 9s. 6d., 14s. 3d., and 19s. per day to pay them. The details will be resumed in next section.

In coming to a pause for the present, the Association will remark that these sums may be called cheese-parings, or they may be called feathers; but it was the number of the feathers, and the last one of the number, that broke the back of the camel.

SECTION VII.

CANADA.—(Continued.)

In resuming the investigation of the wasteful expenditure of the British revenue in North America, the Association proceeds to the Commissariat Department.

In Bermuda, which was last referred to (being in the Parliamentary estimates treated as a part of North America), two assistant commissaries, two deputy-assistant commissaries, and two commissariat clerks, receiving, as salaries, £1,231 17s. 6d., and the pay of the "assistants, clerks, storekeepers, and other subordinate persons," who perform the actual duties, is £1,568 17s. 8d., to which sums is to be added for miscellaneous purchases, extra labour, and travelling expenses, £340.

Next, there are special allowances for commissariat officers, not ascertained as regards those in Bermuda. Next, for land and water transport, £30. Next there is cost of provisions, £17,764; cost of forage for horses of staff officers, £534; cost of fuel and light, £1,670; one per cent. on the cost of supplies for probable losses, £200. Deduct £10,494, which is the amount of stoppages from the pay of military and other servants (not officers) for their provisions, and the real loss on provisions, fuel, and light is, to the public, £9,674.

In Canada there are one commissary-general, two deputy commissaries-

general, fifteen assistant commissaries-general, eleven deputy assistant commissaries-general, and eleven commissariat clerks, whose pay for the current year is £9,566 0s. 10d. These gentlemen have, like those at Bermuda, assistant clerks, storekeepers, issuers, and other subordinate persons, to do their work, whose pay for the current year is, £6,454 8s. 4d. There are, besides, allowances for black servants, for miscellaneous expenses, postages, advertising, extra labour, and travelling expenses, £2,056, making a total for the pay of public servants in this department of Canada, as returned in the Commissariat estimates, (which are, however, under the actual expenditure,) of £18,076 9s. 2d. The same class of servants are paid, in Newfoundland, £776 17s. 1d.; in Nova Scotia, £4,565 10s. 10d.; in Canada, for land and water transport, and the supply of water for the troops by the commissariat, the charge is, £11,250; ditto, in Nova Scotia, £3,500; ditto in Newfoundland, £171; loss upon provisions, forage, fuel, and light (over the amount of stoppages from the pay of the troops to defray those expenses), in Canada, £17,349; in Nova Scotia, £12,467; in Newfoundland, £2,882.

By the Commissariat Estimates the foregoing sums would appear to be all which this department of service costs in Canada; but the Miscellaneous Estimates tax us with £14,308, under the head of "*Expenditure of the Indian department in Canada for its establishment and pensions, from the 1st of April, 1848, to the 31st of March, 1849,*" a considerable portion of which falls into the emoluments of the Commissariat. First, pensions, &c., to retired officers, £485; second, pensions to wounded Indians, £60. Indian presents, £8,768; total, £9,313. The profits on these presents, which consist of spirits, gunpowder, arms, blankets, and other stores common to the commissariat department, may be supposed to be considerable; but, apart from the profits on such articles, there are the following expenses incurred in conducting this establishment:—Salaries, £2,432; contingencies, comprising office rent, stationery, transport, distribution of presents, provisions, &c., £2,563; together, £4,995. Four thousand nine hundred and ninety-five pounds expended on the agreeable employment of having a general holiday with numerous friends, who join the excursion from Toronto (so eye-witnesses report), to go to the head of Lake Huron to meet Captain Teyoninokarawen, Chief of the Five Nations, once a year, to distribute the alleged worth of £9,313 in goods.

But there is another duty which devolves on the officers of the British Commissariat in Canada and Nova Scotia; it is to pay out of the British taxes the following sums to the undermentioned personages:—Bishop of Montreal, £1,000; Archdeacon of Quebec, £500; Rector of Quebec, £400; Rector of Quebec, for house-rent, £90; Ministry of Trinity Chapel, Quebec, £200; Rector of Montreal, £300; Rector of Three Rivers, £200; Rector of Durham, £100; Rector of Coldwell Manor, £100; Rector of St. Armand, £100; Verger (or doorkeeper) of Quebec, £30; Rent of Protestant burial-ground, £20 18s. 6d.; Presbyterian Minister, Montreal, £50; Presbyterian Minister, Argenteuil, £100; Roman Catholic Archbishop, Quebec, £1,000; Bishop of Nova Scotia, £2,000; Archdeacon, £300; Presbyterian Minister, £75; Pension to President of King's College, £400; Archdeacon of New Brunswick, £300; Archdeacon of Bermuda, £200; Archdeacon of Newfoundland, £300; Roman Catholic Bishop of Newfoundland, £300; to Foreign Missionaries of the Society for the Propagation of the Gospel in Nova Scotia, £3,412 10s.; Minister of Prince Edward's Island, £100; in all, for North American Clergy paid by our Military Commissariat, £11,578 8s. 6d.

Among other personages in Canada paid out of British taxes there are persons employed in clearing snow from official places of residence, and chimney-sweepers and washerwomen are charged for wherever there is a town-major, a barrack-master, or a fort-adjutant; so that, whilst most of those officers, their clerks and assistants, hold offices in plurality and draw pluralities of pay, they draw pay, also, for every kind of menial service performed in their official places of residence.

The following specimen of expenditure in the Ordnance department will lead us to those minor facts; and those, again, will lead us to inquire where the corruption begins; and what must be the rottenness of the governing system which spreads corruption to every extremity, the most distant and the most minute in the Government service. There is good reason to believe that, if a faithful return were rendered of all the appointments of subordinate servants in the colonies by the several heads of the Army, Navy, Ordnance, Commissariat, Colonial, and Treasury departments, it would be found that a large majority of them were made at the solicitation of Members of Parliament representing small borough constituencies, or counties which are in the nomination of a few powerful families:—

At QUEBEC there are—

One Storekeeper	£550
Three Clerks, at salaries varying from £90 to £210	510
Assistant Clerk	
Law Charges	200
Ground Rent	51
Removing Snow	20
Postage	80
Sundry other contingent Disbursements	100

MONTREAL.

One Storekeeper	500
One Deputy Storekeeper	340
Five Clerks, from £90 to £250	780
One Assistant Clerk	80
One temporary Clerk	91
Postage	200
Law Charges	200
Fines on Release from all Seigniorial Charges	
Rent of Two Storehouses	264
Travelling Expenses, Advertisements, and other contingent Disbursements	212

KINGSTON.

One Storekeeper	290
Three Clerks, from £90 to £210	520
Postage	100
Law Charges	70
Travelling Expenses, Advertisements, and other Contingent Disbursements	82
Signal Station Establishment at Cape Diamond and Island of Orleans, consisting of Nine Persons	229

ISLE AUX NOIX.

One Deputy Storekeeper and Acting Barrack-master	250
Postage, &c.	8

TORONTO.

One Deputy Storekeeper and Acting Barrack-master	300
One Clerk, from £90 to £180	180
One Assistant Clerk	86
One temporary Clerk	
Extra Pay to Two Barrack-masters performing Ordnance duties	9
Law Charges	10
Postage	20
Travelling Expenses and Small Disbursements	5

RIDEAU CANAL.

One Storekeeper and Acting Barrack-master	£320
Two Clerks, from £90 to £170	300

One temporary Clerk	91
Law Charges	100
Travelling Expenses	50
Taxes	200
Postage and other Disbursements	170

OTTAWA CANAL.

One Deputy Storekeeper and Acting Barrack-master	240
Postage and other Small Disbursements	108

NEWFOUNDLAND.

One Deputy Storekeeper and Acting Barrack-master	210
One Clerk, from £90 to £180	180
Sundry Small Disbursements	31

HALIFAX.

One Storekeeper	400
One Deputy Storekeeper	250
Four Clerks, from £90 to £210	610
Two Assistant Clerks	160
Ordnance Hospital	40
Posting, Travelling, Advertisements, and sundry other Disbursements	286
Signal Station Re-establishment, consisting of Five Persons.....	100

NEW BRUNSWICK.

One Deputy Storekeeper	300
Two Clerks, from £90 to £180	300
Sundry Small Disbursements	40
Signal Station, Partridge Island.....	17

PRINCE EDWARD'S ISLAND.

One Deputy Storekeeper and Acting Barrack-Master	250
Sundry Small Disbursements	3

BARRACKS DEPARTMENT.

QUEBEC DISTRICT.

One Barrack-Master, at 15s. per day.....	274
Seven Barrack-Sergeants—one at 3s., five at 2s. 6d., and one at 2s. 2d. per day ..	317
Labourer	
Lighting Lamps	33
Washing, Bedding, Sheets, &c.	330
Sweeping Chimneys, Postage, Advertisements, and other Contingencies	

MONTREAL DISTRICT.

Five Barrack-Masters, from 7s. 6d. to 15s. per day	868
Eight Barrack-Sergeants—one at 3s., seven at 2s. 6d., and one at 1s. 6d. per day..	373
One Labourer	27
Rent of Officers' Quarters and Taxes	1,792
Washing, Bedding, Sheets, &c.	948
Sweeping Chimneys, Postage, Advertisements, and other Contingencies	526

KINGSTON.

Two Barrack-Masters, from 5s. to 12s. 6d. per day	365
Four Barrack-Sergeants, from 2s. 6d. to 3s. per day.....	129
Washing, Bedding, Sheets, &c.	325
Sweeping Chimneys, Postage, Advertisements, and other Contingencies	230

TORONTO DISTRICT.

Five Barrack-Masters	684
Eight Barrack-Sergeants	365
Three Labourers.....	91
Washing, Bedding, Sheets, &c.	665
Sweeping Chimneys, Postage, Advertisements, and other Contingencies	738

ISLE AUX NOIX.

One Barrack-Sergeant, at 2s. 6d. per day.....	46
Washing, Bedding, Sheets, &c.	60
Sweeping Chimneys, Postage, Advertisements, and other Contingencies	112

RIDEAU CANAL.

One Barrack-Sergeant, at 2s. 6d. per day.....	46
Washing, Bedding, Sheets, &c.	25
Sweeping Chimneys, Postage, Advertisements, and other Contingencies	57

OTTAWA CANAL.

One Barrack-Sergeant, at 3s. 6d. per day.....	£64
Washing, Bedding, Sheets, &c.	11
Sweeping Chimneys, Postage, and other Contingencies	21

NEWFOUNDLAND.

Two Barrack-Sergeants, at 2s. 6d. per day	91
Washing, Bedding, Sheets, &c.	100
Sweeping Chimneys, Advertisements, and other Contingencies	100

HALIFAX.

One Barrack-Master, at 15s. per day.....	27 ⁴
Four Barrack-Sergeants, at 2s. 6d. to 3s. 6d. per day	20 ¹
Two Ditto Labourers.....	2 ³
Washing, Bedding, Sheets, &c.	25 ⁰
Sweeping Chimneys, Postage, Advertisements, and other Contingencies	20 ⁰
Rent	4 ²

SYDNEY, CAPE, BRETON.

One Barrack-Master	137
One Barrack Labourer	12
Washing, Bedding, Sheets, &c.	40
Sweeping Chimneys, Postage, Advertisements, and other Contingencies	64

NEW BRUNSWICK.

Two Barrack-Masters, at 7s. 6d. per day each	274
Two Barrack-Sergeants, at 2s. 6d.....	137
Washing, Bedding, Sheets, &c.	150
Sweeping Chimneys, Postage, Advertisements, and sundry other Contingencies..	121

PRINCE EDWARD'S ISLAND.

One Labourer	12
Washing, Bedding, Sheets, &c.	25
Sweeping Chimneys, Postage, Advertisements, and sundry other Contingencies..	20

ANNAPOLIS.

One Barrack-Master	200
One Barrack Labourer, at 1s. per day	18
Washing, Bedding, Sheets, &c.	15
Sweeping Chimneys, Postage, Advertisements	48

FORT GARRY.

One Barrack-Master, at 10s. per day.....	183
One Barrack-Sergeant, at 4s. 6d. per day.....	82
Sweeping Chimneys and Contingencies	20

In addition to the foregoing, there are establishments charged for in the Navy Estimates at Kingston with such items as the following:— Clerk in charge, £350; acting foreman of shipwrights on special service, £300; allowance to the incumbent of Fort Maitland, for officiating as clergyman to the crews of her Majesty's vessels at that fort, £10; allowance to the clergyman of the English church at Penetanguishene, for the use of two pews for the crews of the steam vessels on the Lakes of Canada, £12; allowance to acting foreman of shipwrights, in lieu of a house, £2 2s. per week; allowance in lieu of stationery, namely, to the officer in command on the Lakes of Canada, £10; to the clerk in charge, £10; travelling charges, &c., £87.

And at Halifax there are the naval storekeeper and agent victualler, £450; clerk to ditto, £200; rates and taxes, £19; allowance to the storekeeper in lieu of stationery, £12; printing, sweeping chimneys, and other small charges, £35.

Again, there is under another head at Halifax, clerk to the agent victualler, £200; allowance to the agent victualler in lieu of stationery, £6; fuel, &c., £14.

Again, at Halifax, there is under the head of naval medical establish-

ments, clerk in charge, in addition to his salary as agent victualler, £50; allowance of stationery, £2 2s.; fees to the chaplain in the garrison, £10 10s.; other small expenses, £9 8s.

Next, there are, under the head of wages to artificers in Canada, £460; Halifax, £2,700. Again, for the same in the victualling department at Halifax, £80.

The variety of heads under which these items are entered and charged, require a variety of clerks and office expenses to correspond.

Once more, at Halifax, there is wages to artificers, in the medical department, £100.

Again, there are at Kingston, Canada, repairs and painting, £174; for the same at Halifax, £109; and again, at Halifax, in the medical department, £11.

Those small items, in the aggregate, make up very formidable totals; and the totals of all the colonies represent a fearful amount of British taxes. Their relations to the commercial statistics of the colonies will appear hereafter.

SECTION VIII.

PAY OF THE ORDNANCE DEPARTMENTS.

In opening the accounts of the Ordnance Department, the Financial Reform Association begin with the Master-General of the Board, the Marquis of Anglesey, who draws as tailor Colonel of the Royal Horse Guards, £1,800; also as Captain of Cowes Castle, £173 7s. 6d.; and as Master-General of the Board of Ordnance, £3,000. His Field-Marshal's Baton cost £315 (in 1846).

The other expenses of the Master-General's office are :—

1 Surveyor-General	£1,200
1 Clerk of the Ordnance	1,200
1 Principal Storekeeper.....	1,200
1 Secretary to the Master-General.....	1,000
1 Secretary to the Board	1,400

UNDER THE MASTER-GENERAL.

1 Chief Clerk	800
1 Senior Clerk	430
1 Junior Clerk.....	160

UNDER THE SURVEYOR-GENERAL.

1 Chief Clerk	Per annum	900
6 Senior Clerks, 1st class, from	£450 to £600 (1 at £700)	3,560
9 Senior Clerks, 2nd class, from	£320 to £430	3,630
15 Junior Clerks, 1st class, from	£190 to £300	3,920
13 Ditto 2nd class, from.....	£90 to £180	1,620
2 Assistant Clerks, each at	£90	180

STORE ACCOUNT, EXAMINER'S OFFICE. Per annum.

2 Senior Clerks, 1st class, from	£450 to £600	1,070
5 Ditto 2nd class, from	£320 to £430	1,910
7 Junior Clerks, 1st class, from	£190 to £300	1,700
2 Assistant Clerks, each at	£90	180

UNDER THE CLERK OF THE ORDNANCE. Per annum.

1 Chief Clerk, at	£900	900
5 Senior Clerks, first class, from £450 to £600, 1 at £700 and 1 at £690		2,970
7 Senior Clerks, 2nd class, from.....	£320 to £430	2,720
10 Junior Clerks, 1st class, from	£190 to £300	2,460
10 Ditto 2nd class, from	£90 to £180	1,250
2 Assistant Clerks, each at	£90	180

UNDER THE PRINCIPAL STOREKEEPER. Per Annum.

1 Chief Clerk, at	£900	£900
5 Senior Clerks, 1st class, from	£450 to £600, 1 at £700	2,930
6 Ditto, 2nd class, from	£320 to £430	2,430
9 Junior Clerks, 1st class, from	£190 to £300	2,340
13 Ditto, 2nd class, from	£90 to £180	1,250
Assistant Clerk	£90	90

UNDER THE SECRETARY TO THE BOARD. Per annum.

1 Chief Clerk, at	£900	£900
7 Senior Clerks, 1st class, from	£450 to £600, 3 at £700, and 1 at £650	4,230
10 Ditto 2nd class, from	£320 to £430	3,840
11 Junior Clerks, 1st class, from	£190 to £300	2,490
9 Ditto 2nd class, from	£90 to £180	900

OFFICE OF THE INSPECTOR-GENERAL OF FORTIFICATIONS.

The Inspector-General, assistant to ditto, second assistant to ditto, and Assistant Adjutant-General, receive pay according to their regimental rank, and have allowances of £1,509, £730, £548, and £695 respectively; but those sums are charged under the head of Ordnance Military Corps, and not under the head of office expenses.

Per annum.

1 Surveyor, from		
1 Senior Clerk		£520
2 Senior Clerks		490
3 Junior Clerks, first class		790
5 Junior Clerks, second class		690
2 Assistant-Clerks		180
2 Housekeepers: one at the Tower, £100; one at Pall-mall, £80		180
24 Porters, Doorkeepers, and Messengers, at salaries varying from £75 to £120		2,315
1 Engine-keeper		70

OFFICERS ATTACHED TO FOREGOING ESTABLISHMENT.

1 Superintendent of Shipping	560
1 Clerk to Ditto	160
1 Clerk of the Cheque in the Tower	250
1 Inspector of Small Arms in the Tower	600
1 Assistant-Inspector	250

CONTINGENCIES.

Rent of Premises in Pall-mall	1,580
Ditto at the Tower, &c.	165
Coals and Candles	954
Postage	7,500
Law Charges	4,500
Taxes, Advertisements, Stamps, Travelling Expenses, and Hire of Temporary Assistants	10,000
Expense of the Metropolitan police in the Tower, in 1847, £1,025; in 1848 transferred to the department of wages; total salaries and contingencies of Ordnance-office	£95,564
Deduct for stores sold to public companies and individuals, and the proceeds applied to the payment of salaries	4,428

There remains to be paid in office salaries, from 31st March, 1848, to 1st April, 1849

ROYAL REGIMENT OF ARTILLERY.

Consisting of 547 officers and 18,000 non-commissioned officers and men, including 1 adjutant and 148 non-commissioned officers and gunners of the late Invalid Battalion, retained in the several garrisons and batteries, also one company of Royal African gunners at Jamaica, and one company of gun Lascars at Hong Kong, namely,

COLONELS, FIELD-OFFICERS, AND REGIMENTAL STAFF: TEN BATTALIONS.

1 Master-General (Colonel)		Nil.
		Per annum.
10 Colonels Commandant, each at	£1,003	10,030
20 Colonels, each at	26s. 3d. per day.	9,581
30 Lieutenant-Colonels	18 1	9,901
10 Ditto	16 11	3,087
2 Chaplains	16 0	584

COLONELS, FIELD-OFFICERS, AND REGIMENTAL STAFF: TEN BATTALIONS.

10 Adjutants	12	9	..	2,327
10 Quarter-masters.....	7	10	..	1,429
3 Veterinary Surgeons.....	8	0	..	438
10 Sergeant-Majors	4	1½	..	749
11 Quarter-master Sergeants	3	7½	..	724
10 Sergeants attending the Repository	2	8	..	487
1 Sergeant-Schoolmaster.....	3	7½	..	66
1 Drum-Major	3	7½	..	66
1 Fife-Major	2	2	..	40
1 Trumpet-Major	2	8	..	49
1 Master of the Band	5	6	..	100
1 Sergeant Ditto.....	2	10½	..	52
1 First Corporal Ditto	2	4½	..	43
1 Second Ditto Ditto	2	2½	..	40
20 Musicians as Gunners, at	1	5½	..	540
10 Farriers and Carriage Smiths.....	3	2½	..	589
10 Shoeing and Ditto.....	2	1½	..	384
10 Collar Makers.....	1	10¾	..	346
10 Wheelers	1	10¾	..	346
1 Sergeant Armourer	2	8	..	49

STAFF APPOINTMENTS.

1 Officer commanding the troops at Woolwich, at	20	0	..	365
1 Commandant in Ireland	22	9	..	415
1 Deputy Adjutant-General	40	0	..	730
1 Assistant Ditto	20	0	..	365
1 Ditto Ditto in Ireland	14	3	..	260
1 Brigade-Major in England.....	10	0	..	182
1 Aide-de-Camp	10	0	..	182
1 Deputy Assistant Quarter-master General, Woolwich.....	8	0	..	146

100 COMPANIES (BRITISH).

100 Captains, each at.....	12s.	2d.	..	22,204
100 Second Captains	11	1	..	20,227
200 First Lieutenants	6	10	..	24,942
50 Second Ditto.....	5	7	..	5,095
100 Company Sergeants	3	2	..	5,779
300 Sergeants	2	8	..	14,600
400 Corporals	2	2	..	15,817
400 Bombardiers	2	0	..	14,600
9000 Gunners and Drivers	1	3½	..	208,734
100 Trumpeters	1	3½	..	2,319
100 Drummers.....	1	3½	..	2,319
4 Bombardiers, Royal-African Artillery Gunners	2	0	..	146
60 Gunners Ditto Ditto	1	3½	..	1,392
1 Jermider Gun Lascars, attached to Royal Artillery in China	2	0	..	37
2 Sergeants Ditto Ditto	1	3	..	46
4 Corporals Ditto Ditto	0	11	..	67
81 Privates Ditto Ditto	0	10	..	1,231

INVALID ARTILLERY.

1 Adjutant	8s.	6d.	..	155
9 Sergeants	2	8	..	438
8 Corporals	2	2	..	317
8 Bombardiers	2	0	..	292
123 Gunners.....	1	3½	..	2,852

BRIGADE OF ROYAL HORSE ARTILLERY,

Consisting of 46 Officers and 595 Non-commissioned Officers and Men, namely, Field and Staff Officers: Per day each.

1 Colonel-Commandant.....	60s.	0d.	..	1,095
2 Colonels.....	32	4	..	1,180
5 Lieutenant-Colonels	27	1	..	2,471
1 Ditto	22	11	..	418
1 Adjutant	17	9	..	324
1 Quarter-master and Commissary of Stores	10	10	..	198
1 Sergeant-Major	4	3½	..	78
1 Quarter-master-Sergeant	3	9½	..	69

BRIGADE OF ROYAL HORSE ARTILLERY.

1 Staff-Sergeant	3s. 9 $\frac{1}{2}$ d. per day.	£69
1 Trumpet Major	2 10 ..	52
1 Farrier and Smith	3 10 $\frac{3}{4}$..	71
1 Carriage Smith	3 10 $\frac{3}{4}$..	71
3 Ditto	3 4 $\frac{1}{2}$..	186
1 Collar-maker	3 4 $\frac{1}{2}$..	62

SEVEN TROOPS, INCLUDING ONE FOR ROCKET SERVICE.

7 Captains, at	16s. 1d. per day.	£2,055
7 Second Captains	16 1 ..	2,055
21 First Lieutenants	9 10 ..	3,769
14 Troop Staff Sergeants	3 9 $\frac{1}{4}$..	963
21 Sergeants	2 10 ..	1,086
21 Corporals	2 4 ..	894
14 Bombardiers	2 2 ..	554
354 Gunners	1 5 $\frac{1}{4}$..	9,287
126 Drivers	1 3 $\frac{1}{4}$..	2,922
7 Trumpeters	2 1 $\frac{1}{4}$..	269
7 Farriers and Smiths	3 4 $\frac{1}{2}$..	434
7 Shoeing Smiths	2 3 $\frac{1}{4}$..	290
7 Collar-makers	2 0 $\frac{3}{4}$..	263
7 Wheelers	2 0 $\frac{3}{4}$..	263

RIDING HOUSE TROOP.

Consisting of Three Officers, and Thirty-one Non-commissioned Officers and Men,
namely :

	Per day.	
1 Captain, at	16s. 1d. ..	£294
2 Lieutenants	9 10 ..	359
1 Sergeant-Major	4 3 $\frac{1}{4}$..	78
3 Sergeants	2 10 ..	155
2 Corporals	2 4 ..	85
25 Rough Riders	1 5 $\frac{1}{4}$..	655

MASTER GUNNERS.

In the several Garrisons of the United Kingdom : Per day.

71 Master Gunners, at	3s. 0d. ..	3,887
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FIELD TRAIN DEPARTMENT.

Consisting of Six Officers, namely : Per annum.

1 Director-General, at	£400 ..	£400
1 Assistant Director	230 ..	230
1 Commissary	20s. per day.	365
1 Assistant Commissary	8 0 ..	145
1 Clerk of Stores	7 0 ..	128
1 Conductor of Stores	5 0 ..	91

MEDICAL DEPARTMENT.

Consisting of Forty-five Officers, namely : Per day.

1 Director-General	60s. 0d. ..	1,095
1 Deputy Inspector-General	24 0 ..	438
8 Senior Surgeons	19 0 ..	2,774
11 Surgeons	13 0 ..	2,610
24 Assistant Surgeons	7 6 ..	3,825

CORPS OF ROYAL ENGINEERS.

Consisting of 280 Officers, namely :

Colonel (the Master-General)	Nil.	
6 Colonels Commandant, each at	£1,000 per ann.	£6,000
12 Colonels, at	26s. 3d. per day.	5,749
24 Lieutenant-Colonels	18 1 ..	7,920
6 Ditto	16 1 ..	1,761
48 Captains	11 1 ..	9,709
48 Second Captains	11 1 ..	9,709
96 First Lieutenants	6 10 ..	11,972
40 Second Lieutenants	5 7 ..	4,076
Inspector-General of Fortifications	40 0 ..	730
First Assistant Ditto	30 0 ..	548
Second Assistant Ditto	20 0 ..	365
Assistant Adjutant-General	20 0 ..	365

CORPS OF ROYAL SAPPERS AND MINERS FOR GENERAL SERVICE.
 Consisting of Three Officers, and 1,867 Non-commissioned Officers and Men, namely:

STAFF.		Per day.	
1	Brigade-Major, at	10s. 0d.	} £365
1	Adjutant	10 0	
1	Quarter-Master	8 0	
2	Sergeant-Majors, each at	4 6½	
2	Quarter-Master Sergeants	4 0½	
1	Bugle-Major ..	4 0½	74
NINETEEN COMPANIES			
		Per day.	
19	Coloured Sergeants	each at 3s. 2½d.	1,112
74	Sergeants	2 8½	3,658
93	Corporals	2 2½	3,748
93	Second Corporals	1 10½	3,218
1,545	Carpenters, Masons, Bricklayers, Smiths, Wheelers, Coopers, Collar-makers, Painters, Tailors, Miners.....	1 2½	34,070
38	Buglers.....	1 2½	838

Three additional companies of Sappers and Miners, consisting of 315 Non-commissioned Officers and Men employed on trigonometrical surveys, and especially raised for that purpose, are paid out of the item of £60,000 for surveys, charged in the scientific branch.

**EXTRA PAY TO OFFICERS OF THE CORPS OF ROYAL ENGINEERS
 WHEN EMPLOYED AT HOME.** Per day each.

3	Colonels, at	13s. 0d.	} £7,984
7	Lieutenant Colonels	9 0½	
3	Ditto	8 0½	
14	Captains	5 6½	
6	Ditto, having Brevet rank	6 6½	
15	Second Captains	4 0	
15	Ditto, having Brevet rank	5 0	
29	First Lieutenants	6 5	
	Ditto, above seven years' standing	3 11	
3	Second Lieutenants	2 9½	
1	Captain, having Brevet rank, London district	13 1	
2	First Lieutenants, London district	6 10	

WHEN EMPLOYED ABROAD. Per day.

3	Colonels, at	26s. 0d.	} £22,060
14	Lieutenant-Colonels	18 1	
3	Ditto	16 1	
11	Captains	11 1	
6	Ditto, having Brevet rank	13 1	
18	Second Captains	8 0	
2	Ditto having Brevet rank	10 0	
64	First Lieutenants	6 10	
—	Ditto, above seven years' standing	7 10	
2	Second Lieutenants	5 7	
1	Captain-Assistant to the Commanding Engineer in Canada ..		

STOPPAGES FROM EXTRA PAY OF OFFICERS,

Accommodated with Quarters, or supplied with Fuel and Light.

At Home	£ 503	} £1,850
Abroad	1,347	

Since the statement of the Ordnance expenditure was drawn up staff and superior officers for two battalions have been added to the Artillery. As soon as the session of Parliament was over they were Gazetted. "There was no more occasion," writes an officer of great experience to the Financial Reform Association, after seeing the first edition of this Tract, "for two additional Colonels Commandant, four Colonels, eight Lieutenant-Colonels, two Adjutants, two Quarter-Masters, than for a fifth wheel to a coach, for they could never employ those they had already. Not a single Colonel out of twenty they had commanded a battalion at Woolwich." So that, like the Commandants that rank has

early degenerated into a sinecure, not a single Adjutant or Quarter-master is employed abroad.

Having given the pay of the Royal Engineers, and the additional pay allowed to them when employed, it might be supposed there was nothing more. There is more. There is additional pay to the Inspector-General of Fortifications when staff pay is not granted, £365; ditto to twenty officers for brevet rank and length of service, £693; specific pay to the present Adjutant-General, in lieu of extra pay as late Brigade-Major, £148; command pay to an officer commanding in Ireland, £183; staff pay to Brigade-Major, £183; command and staff pay to officers abroad, £4,051; consolidated allowances in lieu of rations, forage, fuel, and candles, lodging, &c., to officers at Hong-Kong, £708; allowance to officers acting as Adjutants and Quarter-masters abroad, £37.

But again, we have allowances to Royal Engineers, as follows:— Allowance in lieu of house rent to the Inspector-General of Fortifications, £250; ditto to Commanding Royal Engineer at Dublin, £100; lodging allowance to the first Assistant Inspector-General, £55; ditto to the second, £55; ditto to the Assistant Adjutant-General, £55; ditto to a Field Officer and a Subaltern in the London district, £75; ditto to the Brigade-Major in Ireland, £55.

But even this is not the end of the allowances. We have for servants:—Allowance, in lieu of servants, to the Inspector-General, to the First and Second Assistant Inspectors-General, to the Assistant-Adjutant-General, and to officers at home and abroad receiving extra pay, £7,228; allowance in lieu of black servants, £849; allowance to officers in aid of mess at home and abroad, £870; allowance to ditto in lieu of forage at home, £877.

SECTION IX.

THE ORDNANCE.—(Continued.)

In resuming the examination of the Ordnance expenditure, the Association will not dwell on the details at great length. The allowances, two-fold and three-fold, made to the officers of the Royal Engineers, in addition to their regular pay, as stated in last section, are also given to the Artillery. The irregular nature of those allowances mistify the public accounts so much that the actual expenditure of any branch of the military service can never be ascertained by examining that branch of service alone. The gross amount of the Ordnance expenses, according to the estimates, being £3,115,218, and the total amount of pay to the officers and men of the effective field and garrison services being little over one-sixth of that sum, it becomes an interesting subject of inquiry to discover the means by which the remainder is expended. First, there is pay to 14,294 Officers, Non-commissioned officers, rank and file, as detailed in last section.

	£543,271
Additional pay, &c.	68,270
Allowances	26,738
Clothing	34,791
Hospital expenses	3,180
Divine service	939
Libraries and schools	711
Movement of troops	4,187

Recruiting	26,775
Agency	6,424
Miscellaneous	961

Making the sum up to £716,247

The Commissariat Department of the Ordnance is mixed up with the army in a manner that again suggests the propriety, the economic necessity, of having all the departments of the war services brought under one head of management. Much of the enormous expenditure could be saved by such an arrangement, and the duties be better performed.

A staff of clerks, with sinecurist secretaries above them, selected from the disinherited younger branches of landed families, and thus provided for in the absence of more useful and respectable pursuits, are employed in the Ordnance, in the department of finding forage for 3,361 cavalry horses, while another staff of clerks, with similar secretaries over them, are kept in the Army-office, to conduct the business relating to the men who ride the horses. Another staff of clerks, with honourable younger brothers of peers and members of Parliament over them, are in the Army-office, to conduct the department of corresponding with the general officers, who, as head colonels of regiments, traffic in clothes and horses; while a similar staff of clerks, with honourable sons of peers and members of Parliament, are employed in the Ordnance-office, to conduct the department of selling the dung of those horses. This article, with another article not specified in amount, is valued in the current year at £12,350, but the expense of selling it at the different barracks, and of paying the staff of clerks and sinecurist secretaries to keep the accounts, is about equal to that sum, if not more.

Again, there is another staff of clerks to manage the accounts or purchasing and selling artillery horses, which is quite a distinct branch of business from that of the cavalry of the line; while another set of the same expensive gentlemen are conducting the forage department, and a third are selling the dung.

The following is an abstract of this department of the Ordnance:—

Forage for 3,361 Cavalry Horses in Great Britain	£86,896	
Deduct stoppages for Officers' Horses and allowance for Stable Dung . .	12,350	
		£ 74,546
Forage for 648 Artillery Horses in Great Britain	16,754	
Deduct, as above	1,828	
		14,926
Coals, &c., for Barracks in Great Britain and Ireland		63,909
Candles, &c., for ditto ditto		11,779
Pallias Straw ditto ditto		8,530
Miscellaneous expenses, Ireland		250
Money allowances in lieu of Coals and Candles, to 35 Gunners, at £6 per ann. ea.		210
Ditto in lieu of Fuel, Candles, and Straw, to Artillerymen stationed in towers and batteries		200
Lodging Money to Commissariat Officers employed in Ireland and Scotland . . .		Nil.
Purchase and Repair of Barrack and Hospital Furniture, Bedding, and Utensils, at home and abroad		89,500
Great Coats for the Army, &c.		26,500
Clothing for Colonial Corps, Recruiting Districts, and Garrisons at home and abroad		13,411
Clothing, &c. for Enrolled Pensioners		270
Winter Clothing for Troops in Canada		5,000
Clothing Necessaries, and Implements for Military Prisons		7,000
		25,681
Making a total in this department, exclusive of office expenses of		£316,031
The Office expenses are		91,136

Next there are the Ordnance-store Establishments in the United Kingdom and colonies, specimens of which were given, when treating of Bermuda and Canada, in Section VII., which cost.....	£ 98,404
And there are Barrack Establishments, costing	172,711
And there is the pay of Clerks of Works, with numerous items under that head..	52,092
From which three sums deduct the proceeds from a corn-mill at Waltham Abbey	417
Rents	£11,843
Rents of Canteens, Washing Sheets, &c.....	75,301
And there remains to be paid	235,646
Next there are wages of Artificers, Labourers, and others, at the several establishments in the United Kingdom and Colonies.....	158,567

Next there are Ordnance stores for land and sea service as follows :—

Supply and Repairs of Small Arms	£140,000
Purchase of Ordnance Stores, of every description.....	273,350
Repair of Ordnance Vessels.....	400
Supply of Iron Ordnance, Shot, Shells, &c.....	72,335
Materials for Packing, Freight, and Carriage of Arms and Stores.....	12,000
Sundry Expenses	4,500

Deduct the proceeds of the Sale of Old Stores.....	38,842
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And there remains to be paid for Ordnance Stores.....	463,743
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Next there are new works, additions, alterations, and improvements, at home, comprising some hundreds of items, most of them very doubtful	353,435
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And for the same class of works abroad there is a sum required of	123,559
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And again, there are for the same class of works at home, each costing less than £1,000	29,946
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And for the same abroad	22,848
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Next there are ordinary and current repairs at various stations.....	207,569
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Total for works	£737,357
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Next come the Ordnance Surveys of the United Kingdom	60,000
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Deduct income from Sale of Ordnance Maps	2,580
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Net charge for Surveys.....	£57,420
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Next there is the Royal Military Academy	27,367
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Deduct contributions from the friends of Gentlemen Cadets	19,398
Other sums	271

Amount paid for Military Academy	£7,698
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Next there is the Establishment at Chatham, for the instruction of the Royal Engineer Department	£5,589
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There are also for the Royal Military Repository at Woolwich.....	350
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And extra pay to a Lieutenant-Colonel for superintending the Publication of Magnetic Observations.....	200
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Draughtsmen	750
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Total for Scientific Branch	£71,987
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Next come the Non-effective Services, Military and Civil, of the Ordnance, Retired, Full, and Half-pay.....	£69,026
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Retired and unattached General Officers, one Lieutenant-General at £700 per annum; three Major-Generals at £600 per annum; twenty-two others with Regimental Pay. In all	14,086
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Pensions for Good Service	2,421
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Pensions for Wounds.....	4,420
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Rewards to Sergeants	200
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Widows' Pensions	17,081
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Compassionate Allowances	6,084
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Other items (less 149)	4,928
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Total non-effective	£118,097
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Add to which the Civil Department	49,344
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And the Expenses, Non-effective, Military, and Civil, are	167,441
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Total for Effective and Non-effective Ordnance Service	£3,115,218
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FINANCIAL REFORM.

The Financial Reform Association was instituted in Liverpool, on the 20th of April, 1848, for the following

OBJECTS.

1st. To use all lawful and constitutional means of inducing the most rigid economy in the expenditure of the Government, consistent with due efficiency in the several departments of the public service.

2nd To advocate the adoption of a simple and equitable system of direct taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensively-collected duties upon commodities.

Political partisanship is distinctly disowned, the Association being composed of men of all political parties.

TERMS OF MEMBERSHIP.—Five Shillings per annum for the year ending 19th April, 1849; and a Subscription of Ten Shillings and upwards will entitle Members to receive all the publications of the Association free by post.

The Publications already issued are—Reports of the Public Meetings of the Association, and Tracts Nos. 1, 2, 3, 4, 5, 6, and 7.

No. I. treats of the CIVIL LIST; of the augmentation of National Burdens since George I.; of her Majesty's Privy Purse, Household Salaries, Household Tradesmen's Bills, Bounties, and Charities; and also of the Departments of the Lord Chamberlain, the Lord Steward, the Master of the Horse, the Mistress of the Robes, and of all those idlers whom ages of custom have permitted to be fixed on the Royal establishment, eating up her Majesty's Royal income, and leading the public to believe that Royalty is more costly than it really is.

No. II. treats of the PENSION LIST.

No. III. of TAXATION; its Amount and Sources; its Effect on the Physical Condition of the People, and on the Trade of the Country.

No. IV. on the ARMY EXPENDITURE.

No. V., VI., and VII., on the ARMY, ORDNANCE, COMMISSARIAT, NAVY, and COLONIAL EXPENDITURE.

N.B.—Public Meetings are held on the third Wednesday of every month; the Council meets every Monday and Thursday; and the Secretary attends the Office daily. Sections of the Tracts, in printed slips, are forwarded once a week to nearly every newspaper in the Kingdom.

Post-office orders to be made payable to EDWARD BRODRIBB, Esq., Treasurer of the Association, Harrington Chambers, North John-street, Liverpool. Subscriptions are also received by Mr. EFFINGHAM WILSON, Royal Exchange, London.

FINANCIAL REFORM ASSOCIATION,

Harrington Chambers, North John-street, Liverpool, December, 1848.

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Printed at the Office of the "STANDARD OF FREEDOM," 335, Strand, London.

FINANCIAL REFORM TRACTS.

No. 6.

THE

NATIONAL BUDGET

For 1849,

BY RICHARD COBDEN, ESQ., M.P.;

IN A

LETTER TO ROBERTSON GLADSTONE, ESQ.,

PRESIDENT OF THE FINANCIAL REFORM ASSOCIATION OF LIVERPOOL;

WITH

A REPORT OF THE PUBLIC MEETING

HELD AT THE CONCERT HALL, LIVERPOOL, DECEMBER 20, 1848, AT WHICH THE BUDGET WAS ANNOUNCED TO THE NATION.

THE financial statement which the Chancellor of the Exchequer, or the Prime Minister, makes annually to Parliament, of revenue to be raised, revenue to be expended, taxes to be imposed, taxes to be remitted, or taxes to be changed, has, by long Parliamentary custom, been called "*the Budget.*" The term *budget* is, therefore, familiar to the public, and is applied to Mr. Cobden's propositions because it is familiar. This is called the National Budget, as the other is called the Ministerial Budget. This cares most for the fate of the nation; that most for the fate of the Ministers. This includes no consideration for the political dependants of Government, whose number is a multitude, whose tax-paid places, distributed around the girdle of the globe, encumber and obstruct alike the business of Government and the progress of productive industry. This budget makes provision for a liberal and sufficient payment to the necessary servants of the nation, and it deals with the means by which the nation may most conveniently, during the year 1849, provide the funds by which the public servants are to be paid. It is a National Budget, intended for the nation to understand, and carry into effect.

The circumstance of its being addressed to the President of the Financial Reform Association was, that two parties, Mr. Cobden, on the one hand, and the Association on the other, discovered that they were separately working to accomplish similar objects. A personal conference took place. Mr. Cobden visited the Council of the Association on the 7th of December, at Liverpool, and

stated his views as to measures of financial reform *immediately* practicable, and heard in return the individual as well as the collective opinions of the members of the Council. Mr. Cobden intimated that he would reduce his propositions to writing, in the shape of a budget, and submit them to the judgment of the Council. This he has done, and the Council at once submitted them to the judgment of the Association, to a public meeting of the inhabitants of Liverpool, and to the country.

This meeting was held at the Concert-hall, Lord Nelson-street, on the evening of Wednesday, the 20th December. The President of the Association, Robertson Gladstone, Esq., took the chair at eight o'clock, and was greeted with the hearty plaudits of the meeting. In opening the business of the evening, he said,—

Gentlemen,—I am sure it would be satisfactory to those who may possibly entertain doubts as to whether the subject of Financial Reform is making any progress in this country, to witness what I do, on the present occasion, the assemblage of the tradesman, the mechanic, and the labourer, anxious, after the termination of their daily toil, to inform themselves correctly on a subject in which we have all one common interest. It is highly gratifying to my own feelings to be able to assure you, that the cause we are advocating is rapidly advancing, and you will learn, from the report about to be read to you, that not only in Liverpool, but in various parts of the United Kingdom, there exists a very strong and decided opinion in favour of the views of our Association. I regret that on the last occasion, when a public meeting was held in this room of the members of our Association, I was necessarily absent; but I cannot allow the opportunity to pass by without expressing my sincere thanks to the gentleman who then so ably presided, Mr. Charles Robertson, one of our vice-presidents, for the terms in which he was pleased to speak of the very limited services I have been able to render to the cause of Financial Reform. I can honestly and fearlessly say, with reference to the part I have taken, that my object has not been to gratify any particular feeling, or to intrude myself, unnecessarily, on the notice of this community (hear, hear); but, on the contrary, impelled alone by a sense of duty, which, in its responsibility, rests alike on all, my desire has been to endeavour to promote, by fair and legitimate means, a complete reformation of our financial expenditure, as essential to the future prosperity and welfare of our country. I shall not, on this occasion, attempt to trespass on your time and patience by going into any detail on those various points which have been, I think, as you will admit, very ably commented upon in the series of tracts already published by our Association. The business of this evening will consist of the reading of a report of the proceedings of our Association, drawn up by our secretary, to which I must beg your attentive consideration, to be followed by a communication, of very great moment to us all, received this day from one of the members for the West Riding, Mr. Cobden (loud applause). I must, however, first take this opportunity of rendering to the editors of those journals, local and national, who have powerfully supported our views on behalf of the Association, our respected and grateful thanks, for the great zeal and ability with which they have advocated the cause of Financial Reform. I think I may be permitted to say, likewise, that we are, perhaps, almost equally indebted to those journals who have opposed us; for, in attempting to grapple with our statements and the arguments they contain, they have manifested the most pitiable imbecility, and, so far as my humble means of judging will enable me to form an opinion, signally and entirely failed. Therefore I am anxious, whilst recording our sense of the hearty co-operation of those who agree with us, not altogether to overlook the advantages we have received from the proceedings of those who differ from us. To the *London Times*, especially, we are deeply indebted; for without any pecuniary remuneration, the columns of that journal have been opened to us, and advertised our proceedings for nothing (cheers).

But the editor was not even satisfied with this marked instance of liberality, for he has further aided us by the expression of his sentiments, in the shape of leading articles, totally void of that talented and powerful strain of reasoning so frequently exhibited in its columns, and which have more than satisfied my mind that we have right on our side, and that no substantial reasons can be urged to controvert the statements we have published (cheers). I have frequently made these remarks to some of my friends, and the idea has been suggested, that, very probably, the *Times*, in nautical language, was preparing to "bout ship; and I have been further urged to recollect that it would not be the first occasion of their putting the ship about (laughter). Therefore we must make some allowance for the course that journal has adopted, and judge of their proceedings with some degree of charitable feeling. But very soon after the period on which we held our first public meeting, the *Times* (and I have a copy of the paper before me) made some remarks, in one of their leading articles as to what fell from some of the speakers on that occasion, myself amongst the number; and certainly, considering that this journal claims for itself some degree of credit for its efforts in favour of Financial Reform (of the existence of which I was scarcely aware), it is somewhat extraordinary, that they should endeavour to assume a marked hostility towards the objects defined by our Association. I refer to their paper of the 30th September, and there find, in connexion with this subject, two contradictory statements relative to the *importance* of Financial Reform. They state,—“We cannot quite say it is a subject of far more vital importance than any other that can be proposed;” but they afterwards add,—“This sort of scandal ran through all the speakers, and detracted much from the dignity of the most important subject which can occupy the attention of man.” So much for consistency of opinion. It is too bad of the *Times* to jest in this manner, at the expense, as it will prove in the result, of his friends—“*the moderate and popular*” aristocracy of this country. I have no doubt that the members of that body are very constant subscribers to this journal, and, therefore, it is a hard case for them to be held up to ridicule, for I contend that the articles which have appeared in the *Times*, in the judgment of every sound-thinking man, can only be regarded in that light. What we contend for is this—that the affairs of the nation shall be conducted, in every respect, precisely as every sensible, sound-thinking member of this community, with a due regard to economy, would manage his own business (loud cheering). In reference to the remark that fell from me with respect to the appointment of a sergeant-at-arms,—an office which is about on a par with that of a very respectable individual—a police-constable of Liverpool—the *Times* takes me to task for having stated that such parties were obliged to appear in a clean shirt, white neckcloth, and black dress. I see no objection whatever to their appearing in that dress, and even a white waistcoat to boot; but I am not to be led away by a side wind. I find, in the appointment of Lord John Russell’s brother to the office of sergeant-at-arms, the duty of which I question if he possesses bodily strength to discharge, and if so, is, therefore, dependent on deputies to perform the business (if any), that a sum, wrung out of the sinews of the people, to the extent of £1,500, is paid, whilst we all know that, in our own community, men of unblemished character and reputation would joyfully accept of the appointment, and discharge the duty for £100 per annum; and from this plain matter-of-fact statement, not all the subtlety and ingenuity of the *Times* shall lead me astray (cheers). The *Times* is kind enough to twit me as to the messengers of the National Assembly, and says they are equally expensively apparelled, and carry a sword. What has that to do with the subject,? Every man wants to know how cheaply he can get his work done (applause). I regret that my ability is totally unequal to expose, in the manner it deserves, such attempts at plausibility as are put forth by the *Times* on this subject. Does the *Times* mean to say that in their own establishment they would pay £1,500 a-year, while for £100 they could get the same amount of duty discharged? It is not long since I read in the *Times*, when a reduction in the price of newspapers was very generally mooted, and in some instances carried into effect, a statement, making reference, if I am not mistaken, to the sum they required for their own journal,

when it was contended, that to their subscribers and the public, for the price of fivepence, they gave fivepennies' worth. Now this is just what we seek (cheers). We want to get value received for our money (loud applause). We want also to have five pennies' worth, equally with the purchasers of the *Times*, for our fivepence (loud cheers). We contend that we do not get one-hundredth part of what we ought to receive; we are barely paid, even in the wretched shape of a fraction (loud applause). The *Times* very candidly says, with reference to what this Association has stated, that its desire is to live dear and die cheap. What are we to understand by that? That they mean to support every abuse that exists; that they will not disturb the present arrangement of national affairs; and that they would rather submit to all the evil and injury heaped on our heads, than introduce any salutary change whatever. That may be the opinion of the *Times*, but I do not believe that it is that of the great mass of the people. With reference to what I have been understood to have said respecting Sir Robert Peel's son—a young man, of twenty-three years of age, who had been appointed to the command of the *Daring*, but whom I was said to have represented as being in command of one of the finest frigates in the navy—I beg to say I did not make that remark in those terms. I stated that Sir Robert Peel's son was appointed to one of the finest vessels in her Majesty's service. To that statement I adhere. The mere question of difference between a frigate and a twelve-gun brig had no reference to the point I wished to establish. What I wished to prove was, that to one privileged class of society certain advantages were granted that were denied to every other (loud cheers). I wished to draw your attention to certain reasons which are attempted to be urged against any reduction in the army and navy at the present period, and what is called "preserving a due efficiency of the two services." Now with regard to the first point, as to the period when it may be right to make any deduction in the army and navy, we know what increase there has been since the year 1835, and the means by which that increase has been brought about. The practice appears to have been to have watched the movements of France and other countries, and as they increased the number of their military forces or added to the navy, to increase double the quantity in this country. For instance, if one frigate was ordered to be laid on in France, we put on two (laughter). That is the system practised in this country. Some people ask, whether this is a moment for making any great reduction? The question which we should naturally put to ourselves is—When is this reduction to take place, and who is to decide when the period is right for such reduction being carried out? I am afraid if we leave it to that decision, we must wait for an indefinite period (hear). I say, and I should be very glad to hear any one prepared to answer me, that the moment when the people of this country are unable, from the extreme depression in trade, to pay for a powerful army and navy, that is the moment when the reduction should be made forthwith. It must be admitted that for the last two years this country never experienced such a depression of trade. Now, I should like to ask, if any one of us should be attacked by any serious disease, when should we send for our medical attendant? Are we to wait till the disease has left us, or are we to apply to him when affected? Such is the position of this country. We are completely depressed; nor have we the prospect, as far as I can judge, of ever returning to that healthy condition which this country once enjoyed, unless some very material change is brought about (cheers). With reference to the term "due efficiency," that has a direct reference to the support of those who perform no service whatever, but who are entirely supported at the expense of the labourer, the artisan, and the mechanic of this country (cheers). The speaker concluded by cautioning the meeting to be aware when they heard of the "due efficiency of the army and navy," not to run away with what appeared to be very plausible for the moment, but which meant, with reference to the reform of existing abuses, no reform at all (loud cheering).

Mr. Somerville, the Secretary, then read the

REPORT.

The last public monthly meeting called by the Financial Reform Association was held in the Concert-hall on the evening of Wednesday, the 15th of November, Mr. Charles Robertson (in the absence of Mr. Gladstone) in the chair. Since then the Council of the Association have held, as they did before, their meetings every Monday and Thursday, and various meetings of their committees on other days.

The correspondence has continued to increase in amount and importance. In the week beginning 15th and ending 22d November, the Association communicated with 256 of the principal newspapers, from the *Falmouth Packet*, in the extreme South, to *John O'Groat's Journal* in the North; from the Belfast newspapers in the North of Ireland, to those of Cork and Kerry in the South; and business, during the same week, was transacted by the Council, with correspondents in London, in Paris, at Bentley, near Doncaster; Little Pulteney-street, Golden-square, London; Saint Clear, Carmarthen-shire, Cheltenham, Paisley, Ulverstone, North Lancashire; in Edinburgh, with Mr. Wm. Chambers, who sent to this Association for some of their tracts, with a view to the formation of a Financial Reform Association there. This they have carried into effect; they have had tracts for distribution, and are to hold their first public meeting on the evening of Friday next, the Right Honourable the Lord Provost in the chair. The town of Leith, adjoining Edinburgh, had a meeting of merchants, bankers, and other inhabitants, on Saturday last, to take measures for the formation of a Financial Reform Association there, and during that week, ending the 22nd November, this Association further corresponded with parties in London, Edinburgh, Newcastle-upon-Tyne, where also there is an Association for Financial Reform; with William Williams, Esq., late member for Coventry, a gentleman who, besides presenting the Association with some useful Parliamentary returns, has contributed useful information on matters which no Parliamentary return can elucidate. For instance, the mystery of the six clerks of the Court of Chancery, four of whom are paid retiring pensions to the amount of £27,016 per annum. Also, the Association in that week received a letter from a farmer in Roxburghshire, near Coldstream, with a subscription. He occupies a farm, containing 1,200 acres, at a rent of £2,600 a year. His father has occupied a farm of 1,350 acres for forty-eight years, at a rent of £2,800. It may, therefore, be fairly presumed that this gentleman, who voluntarily offered his subscription and membership to the Liverpool Financial Reform Association is an agriculturist of experience. Let his intelligent letter speak for itself. Here is an extract from it:—

"I have long observed the demoralizing effects of the present system of taxation on the social and physical condition of the labouring classes, and the great bar it is to the increase of our national resources; and I cordially wish the Association may prosper and persevere in its labours. It appears to me that the Financial Reform Association will effect greater improvements in the condition of this great kingdom than any previous Association that we have known; and those members who are devoting their time and energies to the cause, I trust, will be the means of rescuing their fellow-countrymen from ruin and despair—a state to which we are fast approaching. The fact is, that the landed interest will do nothing for us. The true friends of the farmers are the merchants and manufacturers. To them we owe the abolition of corn protection—a delusion that has ruined many a farmer, and will yet ruin more; for it will be some time before the agricultural body will be able to shake off the trammels which protection involved them in. *Indeed, it is plain that a favourable result to the efforts of the Financial Reform Association will be the first thing to relieve the farmers, and enable them to sustain the exorbitant rents they were trepanned into giving, under the idea that a certain price was always to be depended upon for their produce.* To the manufacturers and merchants do we owe the stand made against the game-laws—laws, a bitter curse to the farmers in a pecuniary view, and highly demoralizing to the country at large; and to the merchants and manufacturers we now are indebted deeply for their efforts to relieve industry and enforce economy.

"Landlords may talk as they like, but neither in the House of Commons nor in their own counties do they attempt any real benefits for the people. They hunt and shoot over our lands, destroy our crops and fences, and at the same time keep up every sort of abuse and extravagance, both as to general and local government. The disposal of our county rates, the Turnpike and Statute Labour Trust funds, are altogether in the hands of the landed aristocracy; and the way in which those funds have been expended is a disgrace. In fact it seems to be their study to be as extravagant, and at the same time execute as useless works as can be conceived."

He proceeds to particularize some local instances of misappropriated county rates, and adds, "the great evil of the heavy taxation and extravagance which pervades all our legislation is *pauperism*: this is increasing frightfully, and is seriously interfering with the improvement of land."

That is a letter from a farmer in a county which has other than parish paupers: it is the county of the Elliots, once famous as freebooters, bold, cruel, adventurous, dishonest; now famous as state-paupers, greedy, very numerous, and not very particular as to what

they get or how they get it. They belong to the great family party of Whigs which at present governs and divides the patronage of the British empire. The Church, Army, Navy, Diplomacy, the Pension List—all have their Elliotts.

During the same week, ending 22nd November, the Association corresponded with parties in Dundee, London, Wisbeach (Cambridgeshire), Montrose, Glasgow, Edinburgh, Tiverton (Devonshire), Stroud (Gloucestershire), Brighton, Birmingham, and Gloucester, which was all in addition to the extensive and very satisfactory progress made in Liverpool and its vicinity.

And during the next week, ending Wednesday, 29th November, the influence of the Association, in addition to further progress made in Liverpool, was augmented by adherents and members in Birmingham, London, Dublin, Gloucester, Manchester, Edinburgh, Athlone (Ireland), Oxford,—(a member of the Town Council of that city having sent £5 for Financial Reform Tracts, to be distributed amongst the population there)—Southport, Carlisle, Cheltenham, East Wretham, near Thetford, Norfolk; with three gentlemen (two of them magistrates), who ordered a quantity of the tracts for distribution among the other magistrates and their neighbours, Pool Antony, near Tiverton, Devonshire, London, Stockport, Gloucester, Runcorn, Richmond, in Surrey, with subscriptions of ten shillings each from two working men, William Dyer and Edward Cain, painters, who, in their letter, said, if any movement had a tendency to benefit the working man, by reducing the amount of all taxation, and by placing a fair proportion of that which was left after the reduction on those who now bore less than their share, that movement was this: it was a working man's movement, and they would support it. Also letters from Petergate, Nottingham; Wexford, Ireland; Bond-street, London; Strand, London; Wellington Mills, Manchester; Doncaster; Northumberland Hotel, Dublin; another letter from the Roxburghshire Farmer; from Balmore, near Inverness; Dunstable; from James Whyte, Esq., Abbotsburn, near Paisley, announcing the formation of a Financial Reform Association there, under the presidency of the chief magistrate. Also the principal newspapers of the kingdom, about two hundred and sixty in number, were supplied, twice a week, with sections of the Association's tracts. And during the week ending with Wednesday, the 6th December, the Association corresponded with Leith, Edinburgh, Athlone, Mr. Collett, the late Liberal member for Athlone, contributing five guineas to the Association. Henry Harwood, Esq., of Edward-street, Portman-square, London, a gentleman much engaged in the promotion of education among the poorest of metropolitan children, in sending his subscription to promote Financial Reform, writes,—“I often feel great mortification when I reflect that millions are annually wasted in converting men into useless human machines, covered with gaudy trappings, while myself and other gentlemen collect, with extreme difficulty, the means necessary to rescue from moral and physical degradation the objects of our solicitude, the poor ragged children.” Also, during that week, the Association received a letter from Robert Wallace, Esq., M.P. for Greenock, expressing the hearty concurrence of that veteran financial and post-office reformer in the Liverpool movement, and promising them a visit. Also from York, Dublin, Richmond, Paisley, ordering a quantity of tracts for distribution; York, from several parties; Hawick, announcing the intention of forming a Financial Reform Association; Armagh, Ireland; Blackheath, London; Athlone, Ireland; Isle of Man, with the subscriptions of a lieutenant of the Royal Navy and a clergyman.

In the week ending 13th December, the Association obtained members in York; Newport, Isle of Wight; Kelso; St. Austle, Cornwall; Hayle, Cornwall; Wellington, Morpeth; Kensington, London; Warrington; Carlisle; received a donation of £20 from Sir Thomas Birch, M.P.; and transacted extensive correspondence with many other towns, and about 255 newspapers in London and the provinces, besides making very considerable progress in the enrolment of members in Liverpool.

In the week ending this day, the subscriptions and correspondence have come from Edinburgh, Largs, Renfrewshire; Paisley, Birmingham, Dundee; the Chairman of the Chamber of Commerce, Manchester, Thomas Bazley, Esq., who writes,—“I assure you I shall have sincere pleasure in bringing the subject of Financial Reform before the Chamber.” From Joseph Hume, Esq., M.P., who sends a file of papers from Ceylon, expository of the disgraceful waste of British taxes there, and of the reckless imposition of new taxes on the colonial population, which has driven them to revolt;—the Association will deal with this subject in an early number of their tracts. Also letters have been received from Woodbridge, Suffolk, announcing the intention of forming a Financial Reform Association; from Shrewsbury; Spalding, Lincolnshire; Hornsey, London; Preston; Stepney, London; Portsea, Hants; Edinburgh; and from Hawick, from a gentleman, who writes,—“I live in the county of the Elliotts, or what the Admiralty people call ‘Mintshire,’ from the number of recruits it sends forth: send me three dozen of the Tract (No. 5) in which you refer to the Elliotts.” And another from that town, saying,—“Hawick holds the county in its hands; and, although they cannot put in their own man, they can send either the Whig or the Tory to the right about. We want more of your Tracts. We are forming a Financial Reform Association.” And from John Bright, Esq., M.P., enclosing a donation of £10; from Sir Culling Eardley, who recently contested the West Riding of Yorkshire. Mr. Bright says, after stating the reason why he writes,—“I may take this opportunity of stating the interest I have taken in your proceedings, which have already been very useful, and will, probably, form the basis of more extended operations.

I am looking anxiously for the letter you are expecting from Mr. Cobden, and hope you will be able to go along with his propositions. The times seem to me to require a bold interference with the old practices of Government in this country. The policy hitherto has been to spend all they can raise, instead of spending as little as possible. But this springs naturally from the fact that the tax-payers do not form the Parliament. Our representation is a juggle, and, without a change in it, I doubt if we shall be able to apply a remedy to the extravagance of our rulers."

The Association have devoted their financial labours during the last month to a searching examination of the expenditure of the military, naval, and colonial departments of the public service; and though much yet remains to be examined, they have shown that the costs of the effective war forces for pay, clothing, lodgings, arms, accoutrements, and ammunition, and transport freights from station to station, are less than one-half of the whole war expenditure. The figures stand thus:—For the war departments of the public service, from the 31st of March, 1848, to the 1st of April, 1849, in round numbers, £18,500,000; the cost of collecting which is £3,000,000: making the whole cost £21,500,000. The charge for the army is £6,318,686; but the entire of the effective forces, including an enormous staff of general officers out of employment, but on full pay; an enormous staff of officers holding command in the colonies, with double pay, treble pay, and with table allowances, in addition to all their pay, amounting, in the case of some of them, to sums varying from £1,000 to £1,900: including all those, and the enormous War-office expenditure in London, the charge for the effective army is £4,201,178, leaving, for the non-effective service, a sum of £2,117,588.

In the Ordnance department, which includes the artillery, sappers and miners, and engineers, the pay for men and officers is £543,271; but additional pay to officers "because they are employed," and additional pay after that, and allowances and additional allowances, make the expense of those forces amount to a sum which cannot be exactly ascertained from any documentary authority. The entire cost of the Ordnance is £3,115,218.

The arms, accoutrements, and ammunition supplied by the Ordnance to the whole army is under £500,000, which, with the pay of the forces in that branch of the service, is about £1,000,000. Add to this £250,000 for scientific and manufacturing purposes, and the sum is £1,250,000, leaving a surplus of £1,865,218. This sum the Association have shown in their tracts to be expended chiefly on persons holding duplicate and triplicate appointments, or sinecures in the colonies and in the garrisons and barrack-yards at home. Nobody can be so fit to be the barrack-masters as the officers and soldiers quartered in them.

Add the non-effective expense of the army, £2,117,508, and the unnecessary surplus of the Ordnance together, and there is a saving of £3,982,726.

This does not take anything from the enormous staff, military and medical, which, if reduced to a necessary standard, would allow for pensions to disabled officers and soldiers. Add to this £500,000 for the Commissariat Department, the duties of which can be better discharged by the military, without more expense, and there is a saving of £4,482,726.

The total charge for the Navy is £7,951,842. The wages to seamen and marines, including three admirals to every ship afloat, is but £1,425,380, with their victualling, which is £653,683: the cost is £2,079,063. Add the liberal allowance for ship-building, repairs, and other services, £1,500,000, and there will be a cost of £3,579,063, which, deducted from the total sum now expended on the Navy, leaves £4,372,779; to which saving add the savings on the Army, Ordnance, and Commissariat, and there is £8,854,505. Add to this, savings on Civil pensions and useless offices, as detailed by the Association, £700,000. The further saving of several millions, by the entire revision of the Civil branches of Government service, will be detailed hereafter. Here is a saving of more than nine millions and a half, without discharging one soldier, sailor, or officer; without reducing the army to the economic standard of 1835, the cheapest military year of the present century. And if the nine millions still left be not enough for rewards to disabled men and officers, be it remembered that each ship afloat is still allowed three admirals; in fact, the navy list of officers stands untouched. But both in the navy and army there should be numerical reductions, though to what extent it is not for the Association to decide at present.

The labours of the Association have probably less effect on the Government than on the country; but even the Government are becoming Financial Reformers and economists. They have intimated, through the Secretary of the Home Department, that the grant of three thousand pounds must be withheld from the Refuge for the Destitute; and that, in the naval dockyards, no person below the rank of captain superintendent shall get door-mats or floor-cloths from the stores without paying for them.

There are also rumours that some revision of the Excise and Customs is to be effected by reducing the number of Excise and Custom-house officers. They are to be placed upon what is called the redundant list, similar to the Army redundant list. This would only add to present expenses. The Association earnestly, anxiously, cautions the public from being led away with those rumours into an expectation that any comprehensive scheme of reform is intended by Government—that must come from independent mem-

bers of Parliament. A scheme of retrenchment, by one of the most eminent of them, will be submitted to you this evening.

[The reading of this Report was frequently interrupted by the applause of the meeting.]

The CHAIRMAN observed, that they had heard the Report of the Association, and the next business would be to read to them a very interesting, a vitally interesting and valuable communication, which had been received from Mr. Cobden, the member for the West Riding. It would occupy a little time in going over the whole, but he was satisfied the matter it contained would be found to be such as would engage their serious attention. It had been received that day, and was addressed to himself as President of the Financial Reform Association. The Chairman then read the following

LETTER FROM MR. COBDEN.

London, 103, Westbourne-terrace, 18th December, 1848.

DEAR SIR,—I gathered from the conversation I had with you and the members of the Financial Reform Association in Liverpool, that you have two objects in view,—First, the substitution of direct for indirect taxation; and secondly, a diminution of the present amount of Government expenditure. I ventured to offer an opinion, which I now beg to repeat, that it would be far easier to effect a reduction of expenditure to the extent of £10,000,000, and apply the whole of that sum to the removal of Excise and Customs duties, than to transfer the same amount from indirect to direct taxation. Excepting in Liverpool and a few of our largest trading towns, there is not, at present, a very great force of public opinion in favour of direct taxation. It has yet to be created and organized. But there is a very general sympathy felt in the proceedings of your body, founded upon a strong desire to have the burthens of taxation lightened; and there is some expectation that you will put forth a plan for effecting that object. My reason for now troubling you is, to suggest whether it might not be advisable to publish a NATIONAL BUDGET, exhibiting on one side a considerable reduction in the expenditure, and on the other the several Excise and Customs duties which you propose, in the first place, to abolish. I do not mean by this, a perfect financial scheme, such as may be contemplated as the ulterior object of your Association, but a plan which, whilst it went in the direction of your principle of direct taxation, and relieved the mass of consumers from a heavy tax upon their necessaries and comforts, should commit those politicians of all shades who now join in the vague cry for "economy and retrenchment" to some practical measure worth contending for.

I suggest that you take for the basis of your budget the expenditure of 1835. The whole cost of the Government in that year, including interest of debt, was £44,422,000. For the twelve months ending the 5th April last, it amounted to £55,175,000, being an increase of £10,753,000. The interest of the debt was less by £87,000 in the latter than the former year, making the comparison so much the more unfavourable to 1848. The estimated expenditure for the current year ending the 5th April, 1849 (see Lord John Russell's speech 18th February last), is £54,596,000; so that we may take the increase to be, in round numbers, £10,000,000 since 1835. Do you see any good reasons why we should not return to the expenditure of that year? Englishmen love precedents; and they are not easily persuaded that anything is utopian or impracticable which has been accomplished within the last thirteen years; and this is one reason, though I will find you a better, why you should base your budget upon that of 1835. If we go back a little further, to the time when this nation was still under the rule of the boroughmongers, we shall find a startling argument in favour of this plan. In 1830, the last year of the Wellington-Peel administration, the expenditure for all purposes exclusive of the interest of the debt, was £18,024,000; for the twelve months ending the 5th April of the present year, it amounted to £26,747,000. The Tory Government was overturned the following year, upon the motion of Sir Henry Parnell, in favour of economy, and the House was soon after reformed, merely on the plea of its profligate waste of the people's money; and yet we have now an increase to the expenditure of £8,723,000, or nearly 50 per cent. as the fruits of the Reform Act. *We are now actually expending more upon the Army, Navy, and Ordnance alone, than was sufficient for the maintenance of the whole civil and military establishments under the Duke of Wellington's Government!* When these facts shall be generally known, the country will, I think, be in the humour for responding to your appeal, if you inscribe as the motto upon your banner, "*The Expenditure of 1835;*" which will be a reduction of £10,000,000 from this year's budget.

I would not advise you to complicate your plan by proposing any new imposts to rouse the antagonism of interested parties, or any modifications or substitutions of exist-

ing taxes, to destroy that simplicity of object which, above all things, is necessary to the success of a public agitation. But there is one tax from which the dominant class in this country has exempted itself for half a century, which exemption it would be disgraceful to the character of the British people any longer to tolerate—I mean the probate and legacy duty. In the last year upwards of two millions was paid into the Exchequer by the heirs to personal property, consisting mainly of the hard-earned accumulations of our merchants, manufacturers, professional men, traders, and mechanics; whilst the ducal domain, or the estate of the great landed proprietor, passed untaxed from the dead to the living. This year will be memorable for having witnessed the destruction of the last remaining powers of feudalism in all the countries of the Continent, excepting Russia. But I know of no privilege which the nobles of Prussia, Galicia, or Hungary have been compelled to surrender, as a tribute to the enlightenment of this age, more unjust in principle than that which is conferred upon our landed proprietors in the statute passed by themselves, imposing duties exclusively upon the inheritance of personal property. Let us not boast of English freedom, or of equality before the law, whilst this injustice remains. In what form could aristocratic privilege assume a more offensive and costly aspect than in that of a bold and palpable exemption from taxation? I do not think that great resistance will be offered to the equitable adjustment of this tax, provided the people speak out as becomes them. No living proprietor will be affected by the change; and the landowners are as conscious as you or I that these are not times for transmitting such a class privilege to posterity. I assume that the probate and legacy duty upon real estate, entailed and unentailed, will yield, at a moderate estimate, £1,500,000. By the above plan you would have a disposable surplus revenue of £11,500,000;—viz., ten millions from the reduction of expenditure, and a million and a half from the increased produce of the probate and legacy duty.

I will now trouble you with my views as to the disposal of that amount; premising that I have not felt quite free to choose in every instance those items of the Customs and Excise duties, which I should myself have preferred to abolish or reduce, but have been partly influenced by the desire to enlist the sympathy and support of every class and interest in the community, whose co-operation will be abundantly requisite to force the adoption of the plan upon the Government.

To begin with the Customs duties. The present duty of 2s. 2d. a pound upon tea, whether viewed as a tax upon the most harmless stimulant enjoyed by the people, or as an impediment to the operations of our merchants trading with China, is one of the most indefensible in the tariff. I would reduce the duty to 1s. a lb., or an *ad-valorem* duty yielding the same amount of revenue, by which, according to the estimate of the Chancellor of the Exchequer, in his speech on Mr. Cardwell's motion, there would be a loss for the first year of £2,000,000. The duty on timber and wood must be wholly abolished. This is a necessary consequence, if not an accompaniment of the repeal of the navigation laws. The amount is £945,000. (I have taken this and all the following items from the finance accounts for the year ending January 5th, 1848, deducting the expense of collection). I propose, also, to take the duty off butter, cheese, and upwards of one hundred items of the Customs duties, yielding altogether £516,000; and leaving only about twenty articles in the tariff paying duty.

These three sums amount to £3,461,000.

Next, with reference to the Excise. It may be laid down as a rule, that whenever you touch an Excise duty at all, it should be totally abolished; because the great objection to such taxes—the interference of the exciseman with the process of production—applies equally whether the duty be great or small. This should be borne in mind if you deal with the malt tax; and you *must* deal with it, if you would enlist the sympathy of the county constituencies in your movement. To a man, the farmers are in favour of the repeal of the malt tax; and this not merely because it would add to the contentment of the peasantry, by cheapening a beverage which they universally consume, and also relieve their employers from a heavy tax upon the beer which they give to their labourers at certain seasons, but the best agriculturists loudly protest against the duty, on the plea that it denies them the free application of their capital to the fattening of cattle upon malt, and thus prevents the profitable growth of barley upon stiff clay lands. Upon this subject Mr. Lattimore, speaking for an influential deputation of landlords and farmers, which had an interview with Lord John Russell in February last, said,—“The malt tax disarranged the best modes of cultivation, enhanced the price of artificial food for stock and cattle, whereby the fertility of the soil was deteriorated, the demand for labour lessened, the supply of bread-corn and animal food considerably decreased, and the comforts of the people and the wealth of the country were also greatly impaired.” Your “National Budget” would, therefore, be undeserving the name if it did not include the total repeal of the malt tax, amounting to £4,260,000.

In Kent, Sussex, and two or three other counties, there is an active agitation against the hop duty. The expense of collecting this tax is alone sufficient to condemn it. Nothing could so well exemplify the wasteful and costly process of collecting revenue by means of excise duties as the spectacle exhibited, for a month or six weeks every autumn of a little army of excisemen dispersing themselves over half a score of counties, to levy a tax in the fields and gardens of the hop-planters. I question if anything more bar

barous could be met with in Turkey, or any uncivilized country, where political economy, had never been heard of even by name. I propose, therefore, the abolition of the hop duty, amounting to £416,000. By including the malt and hop duties you will insure the co-operation of the farmers, who, now that free trade is the settled principle of our legislation, have a common interest with the inhabitants of the towns. The landlords, too (at least such of them as are not merely professional politicians), will henceforth be found in the front ranks of those who advocate economy and retrenchment in the national expenditure. Already they have begun to ask, and with good reason,—Why should we not have cheap government as well as cheap corn?

Next is the article of soap. What a satire upon our sanitary acts, and all the pompous agitations in favour of baths and wash-houses is this tax upon the necessary elements of cleanliness! Not a word need be said upon it. The duty, amounting to £850,000, must come off, if it be only to cleanse us from the stain of national hypocrisy. That which soap is to the skin, literature is to the healthy action of the mind, and yet we raise £720,000 a year from a heavy duty upon paper. By including this in your budget, you will promote the religious, moral, and intellectual advancement of the people, in a manner acceptable to all parties, whatever may be their views upon the subject of national education. The last two items will draw towards you the sympathies of the Scotch Excise Reformers.

These two sums amount to £6,246,000.

Lastly, I come to taxes, properly so called. There is the window tax, which, although it does not, like the Excise duties, operate as a direct impediment to productive industry, is open to the fearful objection, that it "obstructs the light of heaven;" and, in these brief words, we may read its inevitable doom. London, Bath, and other large cities are pressing the abolition of this tax annually upon the House, through Lord Duncan, and you must not think of excluding it from your "National Budget." It yields £1,610,000. My "ways and means" are so nearly exhausted, that I can only add the advertisement duty, amounting to £160,000.

These two sums amount to £1,770,000. The total loss of revenue by the reduction of the above duties and taxes is £11,477,000, or £23,000 less than the £11,500,000 of surplus which I propose to create, by the diminution of expenditure, and the equalization of the probate and legacy duty. I subjoin a summary of the foregoing, in a concise tabular form:—

NATIONAL BUDGET.

Proposed reduction of expenditure ..	£10,500,000	Proposed reduction of Duties and Taxes:—	
Proposed legacy and probate duty upon real estate, whether entailed or unentailed.....	1,000,000		<i>Loss of Revenue.</i>
		CUSTOMS DUTIES.	
		Tea-Duty to be reduced to one shilling per pound .	£2,000,000
		Timber and Wood—Duty abolished	945,000
		Butter, Cheese, and upwards of one hundred smaller items of the tariff Duties abolished, ..	516,000
		Total loss upon Customs	£3,461,000
		EXCISE DUTIES,	
		Malt—Duty abolished ..	£4,260,000
		Hops—	416,000
		Soap—	850,000
		Paper—	720,000
		Total loss upon Excise	£6,246,000
		TAXES.	
		Window Tax—Abolished	£1,610,000
		Advertisement Duty—Abolished	160,000
		Total of Taxes	£1,770,000
		Total loss upon Customs, Excise, and Taxes	£11,477,000
Proposed amount of surplus revenue	£11,500,000		

I repeat that I do not propose this as a complete financial scheme. Many articles are omitted which I should not wish to be considered to have willingly excluded, or be thought to have overlooked. I have gone again and again through the dismal catalogue of our fiscal burdens, and if there be any item of the customs or excise duties which you are sorry to miss from the above table, be assured that the omission has caused me equal regret. Bricks ought especially to stand one of the first on the list for a prospective budget. Tobacco is a very strong case, but it involves so large an amount of revenue that I could not include it. The wine duties also call for a revision; not to name others. Then there are some duties and taxes, the modification of which does not necessarily

involve a loss of revenue, and which may be dealt with independently of the present plan. The duties on foreign and colonial coffee ought to be forthwith equalized; the property and income tax should be revised, and a just discrimination made between fixed and precarious incomes. For the stamp upon newspapers, a stamped envelope might be substituted, bearing upon those only which are transmitted by post; and the stamp duties, generally, call loudly for an equitable revision. I mention these examples to show, that, by adopting the proposed "National Budget," you would not be precluded from effecting other financial reforms. On the contrary, I believe if the industry of the country were further disburthened to the extent I have named, there would be an accruing surplus revenue from the remaining sources of taxation, which would afford the means of continually making further modifications and reductions of duties. This would have been the case in times past, notwithstanding all the restrictions upon our commerce, if the increasing income had not been swallowed up by Government extravagance. For instance,—had not the expenditure been increased since the time of the Duke of Wellington's administration, in 1830, then, notwithstanding the very large amount of taxes and duties since remitted, there would now have been a surplus revenue *without the income tax*.

A word or two as to the mode by which I would reduce our expenditure to the amount of 1835. The great increase, since that year, has been upon the army, navy, and ordnance. In the year 1835 our armaments cost us £11,657,000; for the twelve months ended on the 5th day of April last, they reached, including £1,100,000 for the Caffre war, £19,341,000; and I expect that the charge for the present year will not be much less. For the same time, the total expenditure of the Government, exclusive of the interest of the debt was £26,747,000, and deducting £19,341,000, the cost of our warlike establishments, it leaves only £7,406,000 to cover the whole of the civil expenses of the Government. It will be self-evident, then, that if any material retrenchment be effected, it must be mainly upon our armaments, the cost of which has been increased £7,000,000; and this during a period of profound peace, and in the absence of all revolutionary convulsions, and while each successive speech from the Throne assured the assembled Parliament of the pacific disposition of all foreign powers. But if we take into calculation the present reduced value of commodities, it will be found that £10,000,000 expended upon our armaments now will go much further than £11,657,000 did in 1835; and I suggest that you propose the former sum as the *maximum* expenditure for the army, navy, and ordnance, by which you will gain about £8,500,000 of the proposed saving of £10,000,000. I by no means, however, wish to commit your Association to ten millions, as the *minimum* cost of our armaments, for I have a strong belief that you will live to see the waste reduced to less than half that sum. The above-named amount will be three times as great as that of the United States; greater than that incurred for the same purpose by Russia, Austria, or Prussia; and, judging by her promised reductions, nearly, if not quite, as large as that of France.

The remaining £1,500,000, to complete the proposed reduction of £10,000,000, you will have little difficulty in saving from all the other heads of expenditure, including the cost of collecting the revenue, and the management of the Crown lands.

I repeat, emphatically, all hope of any material relief from taxation hinges upon the question of a large reduction in the cost of our army, navy, and ordnance. If it be objected that I do not specify the particular regiments or ships which I propose to reduce, my answer is, that the only way in which the public can restrict the Government at all, in its warlike expenditure at a time of peace, is by limiting the amount of money. Disband a regiment, or pay off a ship to-day, and the amount saved may be spent to-morrow upon steam-basins, or for fresh fortifications at Gibraltar, Labuan, or Hong Kong. This was the view entertained by Sir Henry Parnell, a great Whig authority, who, in his work upon "Financial Reform," written when the Duke of Wellington was at the head of affairs, whilst arguing for a reduction in the expenditure of our military department, says,— "Fix upon a much smaller sum, and tell them that they must make it answer." There is another good reason for this course. Some influential persons, who are opposed to say diminution of the strength of our armaments, yet contend that the present force may be kept up at a very reduced cost. In their eyes, your *maximum* sum may represent a much larger establishment than you contemplate. These parties, probably, would be as willing as myself to put an end to the crimes and cruelties imported into the slave trade by the interference of our costly fleet of cruisers upon the African coast; or there may be other savings contemplated by them; so that, perhaps, in their opinion, with an expenditure of ten millions, nearly as large an effective force as at present may be maintained.

But I am prepared to contend for changes in our foreign, colonial, and domestic policy (though I will not attempt to do so at length now), calculated to facilitate a reduction in the amount of our armaments. First and foremost, we must insist that the principle of non-interference in the affairs of foreign countries, so loudly professed by politicians of all parties, shall be carried into practice in the policy of our Government. During the whole of last year, a fleet, as formidable as that required by the Americans to watch over their commerce in all parts of the globe, was maintained in the Tagus, out of the taxes of the British people, for the service of the Court and Government of Portugal. At this moment we have as large a fleet in the Straits of Messina, engaged in an armed

interference between the King of Naples and his Sicilian subjects, with no more interest or right on our part than the Government of the United States would have to send a squadron off Holyhead, and assume the character of an armed mediator between England and Ireland. For three or four years we have had a fleet in the River Plate, interfering in the endless and inexplicable squabbles of the Monte Videans and the Buenos Ayreans, and which has at last ended in a ridiculous failure. I would wish to see our Government spare the people this useless expense, by simply following the rule observed by individuals, of leaving other nations to settle their quarrels, and minding its own business better.

I am also aware, that any great reduction in our military establishments must depend upon a complete change in our colonial system; and I consider such a change to be the necessary consequence of our recent commercial policy. I am prepared to carry out, logically, the principle of free trade in our future relationship with our colonies. Nay, more. I always contemplated that the practical application of that principle would so simplify the question, that it would not be possible afterwards to continue the ruinous colonial expenditure which we have hitherto sustained. So long as protection was our ruling policy, the nation believed that the exclusive trade with our colonies compensated us for the expense of governing and guarding them. I did not, of course, share in that opinion; but there was consistency, if not wisdom, in those who did. But we have now declared that, for all commercial purposes, they shall in future stand in precisely the same relationship towards us as foreign countries. For seventy years we have denied ourselves the right, by statute, to tax them for imperial purposes. Under these altered circumstances, will any body be found, even amongst the Protectionists, aye, even Lord Stanhope himself, who is prepared to maintain that henceforth the only exclusive connexion we are to preserve with our colonies is the monopoly of the expense of governing and garrisoning them? Once let them see that free trade is the irrevocable policy of the country, and the Protectionists themselves will join with me in demanding an exemption from the expense of the thirty or forty little armies, which (exclusive of the troops in the merely military fortresses of Gibraltar, &c.), are maintained at the cost of this country in all parts of the globe; together with the little army always afloat, for the purpose, incredible as such folly may hereafter appear, of transporting reliefs of soldiers from England to serve as policemen for Englishmen at the antipodes! We have only to give to the colonists that which is their birthright—the control over their expenditure, and the administration of their own local affairs, and they will be willing, as they are perfectly able, to bear all the cost of their own civil and military establishments.

And, finally, I contend that we must endeavour to act at home more in accordance with the good old constitutional principle of governing by the civil, and not the military power. We are, I fear, tending towards too great a reliance upon soldiers, and too little on measures calculated to insure the contentment of the great body of the people. It were madness indeed to think of relying upon bayonets for the permanent support of our institutions, after the warning examples afforded by so many countries on the Continent, where, so lately, we saw military despotism crumbling beneath the weight of its own intolerable costliness: and even if armed authority have every where resumed its sway, has that solved the problem of their financial embarrassments? On the contrary, they have only entered again upon the more vicious circle, where enormous armaments lead to increased expenditure, to be met with augmented taxes, which will be followed by groaning discontent, and end, as before, in convulsion.

I cannot conclude without tendering you and your fellow-labourers my best thanks. By your efforts to mitigate the pressure of unjust taxation, to remove all obstacles from the path of industry, and to widen the channels of foreign commerce, you are doing that which, more than armed regiments, will contribute to the stability of our institutions and the peace and prosperity of the country. It will be gratifying to me if, in this too long letter, I have succeeded in rendering the slightest service to the cause in which you are embarked. My sole object has been to give a practical aim to your valuable efforts, so that at every step you take you may find yourselves nearer to a defined object, the attainment of which shall be some recompense for the labours of an agitation which I trust will become national.

I remain, dear sir, faithfully yours,

RICHARD COBDEN.

To Robertson Gladstone, Esq., President of the Liverpool Financial Reform Association.

LAWRENCE HEYWORTH, Esq., M.P., said that, having heard the report of the Committee of the Financial Reform Association, and learned the financial state of the country, they would not hesitate in coming to the conclusion that some such measure as that recommended in the letter from Mr. Cobden should be carried in the next Parliament. When it was shown that a sum of nine millions was expended for military purposes,

behaved them to look about, and see whether a great portion of that amount might not be saved, more especially as it came out of the pockets of the labouring classes of the community. It was because those taxes were not taken directly from every man's house that they did not rise and protest against such an iniquity, because they paid them in the price of their tea, coffee, soap, and other articles; it was therefore that the people did not protest against the taxes being taken out of the poor man's income, when they ought to be levied on the property of the country. (Applause.) They hoped to get a retrenchment of the national expenditure; but if the system of collecting the revenue by means of the Customs and Excise was continued, it would run on to a larger amount. The finances of the country should be obtained from property, and not from the articles consumed. He participated with Mr. Cobden in all he had stated as to retrenchment; and if he brought forward a resolution in Parliament in accordance with the suggestions he had thrown out, he (Mr. Heyworth), would give him his most cordial support. (Applause.) He proposed the following resolution:—"That this meeting has heard with the highest gratification the admirable and comprehensive letter of Mr. Cobden to the President of the Financial Reform Association, and pledge themselves to exert all their influence to procure the adoption of his financial budget, as a measure of immediate retrenchment, and as an important preliminary step towards those further reductions in expenditure which the meeting believes to be still practicable, and towards a complete system of direct taxation, which is the final object of the Association." The present agitation was one of the most important that had ever engaged the attention of the country, and he hoped they would put their shoulders to the wheel, in order that it might be effectually carried out. The advantages resulting from these objects, if attained, would not be confined to this country merely, but they would be extended to the extremity of the globe. (Applause.)

The resolution was put, and carried unanimously.

Mr. FRANCIS BOULT said he wished to make one observation on a single word which dropped from Mr. Heyworth, as he repeated it, and as it was liable to be misunderstood. He did not use it in the literal sense which he named. He spoke of direct taxation on property. Now, that would be laid hold of by their opponents as a letting out, an admission, that it was their plan to lay the whole burden of taxation upon the property of the country, they themselves being excused their share. (Hear.) Now, Mr. Heyworth would bear him out that they were for every man paying his fair share of taxation,—his fair share, and nothing else. (Hear, and applause.) If a working man, let it be collected proportionately to the extent of his property; but let not our precarious incomes, whether derived from trade or professions, be taxed at the same rate as incomes derived from real property, the value of which was augmented daily by other people's industry, and not by that of the owner. And let them not perpetuate that foul disgrace to any country calling itself free, which they now beheld, and which had been repeatedly exposed at these meetings,—mainly, that the main weight of taxation was laid heavier and more heavy upon the poor man, and lighter and more light on the rich, in proportion to his riches. (Applause.) From that the Association wished to wash their hands. And then let him say a word on that which was before the meeting, which was now before this country, on this question of financial reform. Let it not be understood that their movement was a movement of the commercial against the agricultural classes,—it was no section or party move,—no Whig or Tory trick; it was neither Sectarian nor Church, Catholic nor Dissenter. From all such obstructions they were entirely free. (Applause.) They embraced all parties and all classes. But their quarrel was this: it was industry against idleness—it was the working bees against the drones—(loud applause)—and they claimed that every man who was able and willing to work should have the free unlimited market of the world to work in, as God gave it to him, and, by the blessing of Providence they would win it for him yet. (Loud applause.) It is their misfortune that, being too much engrossed in their own concerns, too much occupied (and often by compulsion so), with the daily toil necessary to produce their daily sustenance, they had not devoted that attention to the practical working of Government financial measures that their importance demanded from them. (Hear.) They had been ruled over by the idle men of the community, by men whose boast it had been that neither they nor their fathers ever earned an honest penny by their industry—(cheers)—and they

had taxed them at their pleasure, for their own benefit. (Applause.) Now, that must no longer be the case. (Cheers.) Let them lay the taxes so that they should bear their fair share of the burden; and, depend upon it, they would look after the expenditure in a very different fashion. (Cheers and laughter.) And looking at their agitation, there was one hopeful feature about it. They would recollect that in the Anti-Corn-Law agitation there were a variety of fallacies of all kinds thrown out, from time to time, to distract the attention of the public, or mislead them, or cast imputations on the motives of those engaged in the agitation for repeal; but, in this agitation, their opponents could conceive no available fallacies, no convenient tubs, ready to be thrown to the whale of public opinion. It was not easy to cast imputations on those who came forward, and say—tax us to the fair, full extent of our capability. It was not very easy to convince any working man that it would be bad for him to have the necessities and conveniences of life brought to his own door, and his labour thereby simultaneously and unavoidably increased in value. It was not very easy to satisfy the tax-payers of this great empire that it would be for their interest that enormous establishments should be kept unnecessarily, wastefully, and prodigally, and which, they begged leave to tell the *Times*, were for the purpose of procuring convenient and gentlemanly situations for the members of the junior branches of the aristocracy. (Applause.) Therefore he had great hope, and strong confidence, that this question would go on extending from day to day, and would arrive at a successful conclusion much sooner than any other similar movement. Those interested in the continuance of the present abuses were a small minority, who continued to keep up the abuses by getting up faction fights. But the old cry of Whig and Tory, Catholic and Churchman, could not divide them on that occasion. Pounds, shillings, and pence, he thanked God, knew nothing of politics. (Hear, hear, and cheers.) They knew neither creed, nor sect, nor party. (Applause.) He expressed great obligations to Mr. Cobden for the letter just received, and admiration at the consummate ability with which it was penned. The letter, admirable as it was, and the measures suggested, most beneficial as they were, were only a movement in their direction. They, by no means, went the length of the Association. Although they expected to reduce the expenditure of the country next year ten millions, that would not keep them from asking a reduction of three, four, or five millions the next year, if they found it practicable. They should not be satisfied till the building at the bottom of South Castle-street, which prevented shipping from coming into the port, was shut up, or turned to some better purpose. In this great work—and he took leave to say this most beneficial and merciful work—he trusted they should have the assistance of all the industrious classes of the empire, from the highest to the lowest. It was every working-man's question; it was every tradesman's question; it was every merchant's and banker's question; and every shopkeeper's question. There was no man who was not interested in it. Their success had been greater than they anticipated; but they would yet receive a much larger measure of support from the whole empire, and thus carry this question to a successful conclusion in the course of a very few years. (Loud cheering.)

The resolution was put and carried unanimously.

Mr. PRIEST drew the attention of the meeting to the importance of a comprehensive and sweeping reform in every department of the national expenditure, and the necessity for relieving the working population of the country, by whose exertions the wealth was produced, and with the existence of which all that was valuable was produced. He denounced the system pursued by the Government in financial affairs as inimical to the best interests of the country, and as tending merely to the advantage of the aristocratic and wealthier classes, and hoped the meeting would, by their exertions, show that they felt the importance of the object which the Association was contending for, and were prepared to carry out the agitation to a successful termination. (Applause.)

On the motion of LAWRENCE HEYWORTH, Esq., a vote of thanks was passed to the Chairman, and carried by acclamation.

The CHAIRMAN, in acknowledging the compliment, said, he did not look at the question before them as one of pounds, shillings, and pence alone, but he saw in the distance a much more important object to be gained. In looking at the present constitution of society, he saw between the aristocracy and other classes a deep abyss, which prevented the people from passing towards them, and therefore it was in carrying out the great

cause in which they were embarked that he looked to higher motives and more important results—that the time would arrive when they would be able to carry out the laws, both human and Divine, with greater justice to all—more especially that which brought them to love their neighbour as themselves, and to do unto others as they would be done unto. (Applause.)

A Gentleman in the body of the room suggested that, in order to carry out the measures with effect, they should have a Government favourable to their views. With that object, he thought they ought to use all their efforts to raise Mr. Cobden to the post of Prime Minister of England. (Applause.)

The CHAIRMAN said he had no objection to such a course; but it was quite competent to the people, if they set resolutely to work, so to operate upon the House of Commons as to oblige them to yield to the pressure from without. (Applause.)

The meeting then broke up shortly after ten o'clock.

FINANCIAL REFORM.

The Financial Reform Association was instituted in Liverpool, on the 20th of April, 1848, for the following

OBJECTS.

1st. To use all lawful and constitutional means of inducing the most rigid economy in the expenditure of the Government, consistent with due efficiency in the several departments in the public service.

2nd. To advocate the adoption of a simple and equitable system of direct taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensively-collected duties upon commodities.

Political partisanship is distinctly disowned, the Association being composed of men of all political parties.

ROBERTSON GLADSTONE, Esq., President

TERMS OF MEMBERSHIP—Five Shillings per annum for the year ending 19th April, 1849. A Subscription of Ten Shillings and upwards will entitle Members to receive all the publications of the Association free by post.

The publications issued up to 1st December, 1848, are—Reports of the Public Meetings of the Association, and Tracts Nos. 1, 2, 3, 4, and 5.

No. I. treats of the CIVIL LIST, of the augmentation of National Burdens since George I.; of her Majesty's Privy Purse, Household Salaries, Household Tradesmen's Bills, Bounties, and Charities; and also of the Departments of the Lord Chamberlain, the Lord Steward, the Master of the Horse, the Mistress of the Robes, and of all those idlers whom ages of custom have permitted to be fixed on the Royal establishment, eating up her Majesty's Royal income, and leading the public to believe that Royalty is more costly than it really is.

No. II. treats of the PENSION LIST.

No. III. of TAXATION: its Amount and Sources; its Effect on the Physical Condition of the People; and on the Trade of the Country.

No. IV. on the ARMY EXPENDITURE.

No. V. on the ARMY, ORDNANCE, COMMISSARIAT, NAVY, and COLONIAL EXPENDITURE.

N.B.—Public Meetings are held on the third Wednesday of every month; the Council meets every Monday and Thursday; and the Secretary attends the Office daily. Sections of the Tracts, in printed slips, are forwarded once a week to nearly every newspaper in the Kingdom.

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FINANCIAL REFORM TRACTS.

No. 7.

THE ARMY, ORDNANCE, COMMISSARIAT, NAVY, COLONIES.

THE ARMY CLOTHING; TOGETHER WITH MAJOR-GEN. SIR WM.
NAPIER'S ATTACK ON THE ASSOCIATION, AND THEIR REPLY.

SECTION X.

THE FINANCIAL REFORM ASSOCIATION having laid before the public the Army and Ordnance expenditure in its various forms of gross and detail, an expenditure which swells the aggregate cost of the war forces to an amount which the industry of the nation staggers under, might now proceed to show, by proofs, that officers rapidly promoted within those few years have been so promoted through vacancies provided for them by the retirement of others, equally or more efficient, on full or on half pay; but those proofs can only be given by naming the lords and gentlemen who have been forced into high military rank at the expense of the country, and at the expense of fair play to the officers whom they push aside, in a list inconveniently long for present publication.

It is not with *persons* that the Association have to deal in the case of the Army expenditure. If they refer to persons, it is to illustrate a system. It is with a system of bad practices, long continued, they interfere; costly and pernicious in proportion to its long continuance.

Yet though they disavow all intentional personalities, and shall not willingly enter into them, unscrupulous disputants may invade their neutral position, assail them by misrepresentations, and so drag them unwillingly into controversy. Such a disputant is Major-General Sir Wm. F. P. Napier, in the *Times* of the 29th December, 1848; such a disputant the editor of the *Times* has been on more than one occasion. The Association can afford to meet either, or both, or a thousand such, so long as they oppose facts, as they now do, to bold presumption and vague assertions.

When they shall have effected the education of public opinion on those great principles to promote which they are associated—the principles which must guide the Government of Great Britain in future, if its honour is to be preserved; if its tax-paying power—its debt-paying integrity, are not to be eaten up by improvidence and idleness; when public opinion shall have been educated in those principles, and the nation marches onward in one movement,—those who lead that movement will see, as all leaders of successful reforms have, in the last quarter of a century, seen, a creature at their side, who, when they struggled with early difficulties to overcome ignorance and prejudice, assailed them with ridicule and misrepresentation—they will see, in the day of their success, that creature at their side, ready to knock down any weak opponent who may yet oppose them, trample on any prostrate foe who is down and cannot get out of the way, huzza the loudest of all who make a noise, and vilify all who will not join them in the cry.

Let no one doubt it! The day will come when the Financial Reformers will be encumbered with the friendship of the *Times*. It is because there is ignorance, prejudice, and selfishness, opposed to national well-being, that organized reform movements become necessary; and because such evils exist, it is that unscrupulous partisans thrive for a season, by opposing those reform movements.

The absurd blunders of the *Times*, about military promotions, purchases of commissions, ("through which the national exchequer is enriched!") exchanges of regiments, from "freezing Canada to burning Hindostan," and the services of officers exiled to Munster, or Connaught, are ably exposed by a military correspondent resident in London, who authorizes the use of his name, and whose exposition with other matter will appear in an early section. Meanwhile, to dispose of Sir William F. P. Napier.

It is not probable that this officer, or any of his numerous military and naval relatives, whose motto is—"Ready, aye ready," all of them being ready to take what they can get;—it is not probable that *they* will take the future turn-about of the *Times*, and join the Financial Reformers, because they are *now* provided for out of the taxes, and that for life. But they were not always so provided for. It is no longer ago than about the T. Y., H. O. period of political history, that Reform writers had few stronger arguments to urge against the abuse of military patronage than this, that the Napiers, because they were Whigs, had been for many years unrewarded by promotion; and if a correspondent (who is quoted hereafter) be not in error, no tongues or pens were more frequently, at least more effectively, employed in exposing the abuses in the clothing department of regiments—the head tailorships—than the pens of the Napiers. Incessant grumbling, however, and a belief on the part of the public that they had not had their fair share of promotion, gained for them both promotion and emoluments. One got a command in India, where, besides enormous prize money, he had his pay as a general officer, his pay as commander, his field pay, and his "allowances," more than can be enumerated here. Also he had, and has, the head-tailorship of the 22nd Regiment, which was worth, in 1843, since which there have been no returns, £1442. 9s. 1d.; that is, allowing him the usual rate of £500 as pay in his capacity of clothing colonel, the shop profits on the clothing amounted to £942. 9s. 1d.

The dates of this officer's (Sir Charles James Napier) promotion were,—ensign, January, 1794; lieutenant, May, 1794; captain, 1803; major, 1806; lieutenant-colonel, 1811: from which period there was no step until 1825—fourteen years; nor was there a step from 1825 until 1837, when he became major-general. In 1843 he got the head tailoring of the 22nd Regiment, the profits worth in that year £942. 9s. 1d., as already stated; and in 1846 he was made a lieutenant-general.

But Sir William F. P. Napier had still more reason to grumble at the want of promotion after he became a field-officer,—had still more reason to see faults in the military system while he was under the "cold shade;"* and has now almost as good reason (the harvest at Scinde excepted) to

* In quoting from Tract No. 4, Sir William Napier might have found the following passage:—"Major-General Napier, the historian of the Peninsular War, says that the war only succeeded in defiance of political corruption at home, and the *cold shade* of the aristocracy." He did not choose to quote this, nor any part of the five pages of extracts from the Duke of Wellington's letters in the same tract, which extracts contain the Duke's censure of the mercantile jobbing of the aristocracy in the Army.

be satisfied with the result of his grumbling, and to see no faults in the military system, now that he has been promoted,—now that he has commanded the Island of Guernsey, and has been honoured with the very lucrative tailorship of the 27th Regiment. He was made ensign in June, 1800; lieutenant, April, 1801; captain, June, 1804; major, May, 1811; and lieutenant-colonel, 1813. Serving at a period when vacancies by death, and by officers selling out to avoid death, (see his own History of the Peninsular War and the Wellington Despatches,) were so frequent, there is no wonder that he might be dissatisfied with his slow promotion. But the “cold shade” fell heavier upon him afterwards. Though serving in 1813 and 1814 in the north of Spain and south of France, and in the campaign of 1815, and though a soldier of merit far beyond the ordinary standard, he moved not another step during seventeen years. The accession of a new Sovereign gained him a step by accident, in July, 1830, that of colonel; but he remained at that rank until November, 1841, when the promotion following the birth of the Prince of Wales got him, accidentally, another step, that of major-general. It is no wonder that, with a tongue and a pen “*Ready, aye ready,*” and the newspapers open to him, he should have variegated that dreary period of professional darkness, extending from 1813 to 1830, and again to 1841, with expositions of “military abuses.” As a reason why he should now, with the press still open to him, enliven the public with the abuse of the Financial Reform Association, which is now engaged in exposing “military abuses,” let us refer to the *Return of Public Salaries* obtained by Mr. Williams, late Member for Coventry, in 1844—the last year, unfortunately, to which any such return extends. At page 17, in class V, we find,—

Major-General W. F. Napier, commanding at Guernsey; staff pay as colonel	£415	3	9
Unattached pay as a major-general	400	0	
Lieutenant-Governor of Guernsey—pay and emoluments	938	7	6
Reward for “distinguished services,” (which means writing the history which praised Wellington, and which so took him from under the “cold shade”)	200	0	0
Total per annum.....	£1953	11	3

Immediately under this, in the same return, we find another Napier, presumed to be the one at that time in Scinde, of whose income “no return” had been received. And next to him is,—

Sir George T. Napier; unattached pay as a major-general	£	400	0	0
Pension for wounds		300	0	0
Governor of the Cape of Good Hope		5000	0	0
	£5700	0	0	

This officer became a lieutenant-colonel in 1812, and, like the rest, was under the “cold shade” until 1825, when he was made a colonel. He succeeded to be major-general in 1837, lieutenant-general 1846, and head tailor to the 1st West India Regiment in 1844. The shop profits on this regiment have not been ascertained. The pay for being clothing colonel was returned (in 1844) at £324. 13s. 1d. But the officer who then clothed the regiment drew, in addition, pay as a major-general unattached, and £5000 per annum as “Governor of Malta,” the profits in tailoring being allotted in his absence to a substitute.

Another of the “*Ready, aye ready's,*” is Major-General Thomas

Erskine Napier, commanding the Limerick district in Ireland; besides which there is a young growth out of various old stocks coming up to major-generalships and head tailorships, some of whom have already reached the dangerous eminence (dangerous to the taxes) of "colonels on the staff."

Of the Napiers in the Navy List, nothing shall be said at present. They also have for their motto, "Ready, aye ready." One of them was a Member of Parliament for a "popular constituency," but is now more profitably employed in assisting to spend the *seven millions nine hundred and fifty-one thousand eight hundred and forty-two pounds* voted for the navy. He is *making experiments* in sailing, with ships which were *built upon experiment*. But to return to Sir William F. P. Napier.

This gentleman, after being long out of use as a military man, was made Commander and Lieutenant-Governor of Guernsey. It is often observed that there is nothing in our absurdly-expensive system of colonies so monstrous as the appointment of military governors to them, with their long staff retinue of idlers and mischief-makers. But the worst of the government of the colonies is not so absurd, so mischievous, as the practice of sending soldier-governors among quiet, industrious people, like those of the Channel Islands, to usurp civil authority; and to send soldiers who have been long out of use, and who are eager to be employed, is the worst error of all. Sir William Napier, since his return from the perilous government of Guernsey, has been appointed (5th February, 1848) tailor-colonel to the 27th Regiment of Foot; the emoluments of which office were, per last official return, £1214. 4s. This sum, allowing £500 for the pay of the Major-General in his colonel capacity, leaves £714. 4s. as the shop profits pocketed by him in his tailor capacity.

In the T. Y., H. O. correspondence, the Major-General stated, in October, 1848, that he did not, in May, 1832, at the Reform crisis, write "indignantly" to T. Y., of the H. O., that he had received his sword from his King, &c.: he only wrote scornfully that T. Y., or any one else, should have thought him likely to act (in a revolution) with a "Birmingham attorney," (Joseph Parkes,) and a "London tailor," (Francis Place.) The business profits of Francis Place have been said to be several thousand pounds a year; Major-General Napier enters upon the business of a tailor at the profit of £714. 4s. a year. Moreover, Francis Place had retired in 1832. In 1848, when Major-General Sir William Napier re-issues the stigma of having been a tailor on Mr. Place, he is himself in active business, and working for cheaper customers, with narrower clippings to make a profit than that celebrated Londoner did. On which side is the greatest "respectability" or "honour?"

Considering the exposure of military extravagance upon which the Financial Reform Association have been engaged; considering that they have not had the advantage of being in the field *before* Sir William Napier was pensioned and promoted to be Governor of Guernsey; to be a major-general and a clothing colonel; and, considering that he still thinks fit to write on the subject of military abuses, it is not surprising that he wrote the letter published in the *Times* of December 29th. In replying to so much of that letter as they deem to be worth a reply, the Association prefer to do so in the words of one of several correspondents familiarly acquainted with the details under discussion:—

"Gentlemen," writes one, "I find Sir W. Napier has fallen upon you;

but all that he says is not true. About a soldier's necessaries he says,—

“The royal regulations admit only of a specified number and fashion of necessaries for a soldier. The colonel, who is never with the regiment, knows nothing of this supply, nothing of the cost, nothing of the arrangements as to form, fashion, change, or duration. Such matters belong to the interior economy of regiments, and, subject to the regulations, are under the control of the lieutenant-colonel and the captains.

“But there may be abuses: look at the checks:—

“A captain orders a soldier to take a new pair of trousers,—but within the regulations; he cannot travel out of them as to form or number. The soldier demurs, appeals to the commanding officer, who decides against him; the man can still appeal to the inspecting general, or he may have a court-martial on the case, though that, in a doubtful matter, would be hazardous; but he is not debarred by any fear from complaining by letter to the Commander-in-Chief.’

“It is the opposite of fact that any soldier is encouraged to complain by letter to the Horse Guards, or by the word of mouth to the Inspecting-General. He would soon have the word ‘*lawyer*’ attached to his name,—a designation that will prevent any private from being made a corporal or a sergeant; which will soon bring a corporal or a sergeant down to a private; and that attachment to a soldier's name will, in every doubtful case of misconduct, act against him. An ordinary man,—Tom Brown, we shall say,—comes into barracks a few minutes too late for stables. Little is said; or, if any thing be said, it is a threat of being reported to the adjutant by the sergeant-major. But let ‘*Lawyer Tom Brown*’ come in too late, and he is reported there and then, and gets pack drill, to walk in the barrack-yard with his saddle-bags on his back all next day. Or, if it was complaining of his commanding officer that got him the name of ‘*Lawyer Brown*,’ he will be ‘built up to barracks’ for the smallest fault. Ordinary Tom Brown may come in tipsy as often as he likes, if he goes quietly to his room and is ready for duty when called on; but ‘*Lawyer Brown*’ must go to the guardhouse. Four times tipsy in twelve months will, by the regulations, get ‘*Lawyer Brown*’ tried by a court-martial, which will stop a penny a day from him; but ordinary Tom Brown, who never complained of the necessaries served out, their bad quality, or high price,—who never complained of any thing to the general, who never talked of writing to the Horse Guards—I say *talked*—for no soldier would actually do so—who never in any case ‘stood up for his rights,’—why he may get twenty, a hundred times tipsy in a year—if he can—and will have no court-martial nor stoppage of a penny a day.

“And Sir W. Napier says,—

“The clothing of the army is settled by the Queen's Government. The colonels have only to furnish it according to the Royal warrant and established pattern. It has been the same from time immemorial. It is, as to texture and value, superior to the clothing of any continental army; and to protect the soldier from unfair practices in the supply, the following checks have been provided:—

“A permanent Board of general officers, sitting in London, receive samples of every article, and if, according to the Royal warrant, those samples are sealed and transmitted to the regiments as a test for the examination of the clothing for the year; but not until the clothing has been again checked by the examination of the inspecting officers of army clothing, a different body from the inspecting Board of generals.’

“It will be enough for you to look at the Army List and see who those general officers are. There are nineteen of them, and eleven out of the nineteen are what you have called ‘clothing colonels,’ and the other eight are, doubtless, anxious to be so as soon as they can.”

The Association have turned to the Army Register, and also to the Returns of “emoluments” from clothing received in 1844; and they

find that the Board of General Officers appointed to prevent the issue of inferior or cheap clothing are the following:—

1. Hon. Sir E. Paget, Clothing Colonel of the 28th Foot, paid as Governor of Chelsea Hospital	£637	13	6
Pension	400	0	0
Pay as Clothing Colonel	500	0	0
Profits from the clothing	876	15	1
	<hr/>		
	£2414	8	7
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2. Sir James Gordon, Clothing Colonel of the 23rd Foot, paid as Quartermaster-General	£1883	19	2
(Other allowances not known.)			
Pay as Clothing Colonel	500	0	0
Profits on clothing	786	9	8
	<hr/>		
	£3170	8	10
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3. Sir Ralph Darling, Clothing Colonel of the 69th Foot—pay as such	£500	0	0
Profits on clothing	700	0	0
	<hr/>		
	£1200	0	0
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4. Sir C. Bulkeley Egerton, Clothing Colonel, 89th Foot—pay as such	£500	0	0
Profits on clothing	602	15	2
	<hr/>		
	£1102	15	2
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5. Sir Colin Halkett, Clothing Colonel of the 45th Foot—pay as such	£500	0	0
Profits on clothing	592	0	9
Pension	350	0	0
	<hr/>		
	£1442	0	9
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6. Sir Frederick Adam, Clothing Colonel of the 21st Foot—pay as such	£500	0	0
Profits from clothing	773	15	1
Pension	300	0	0
	<hr/>		
	£1573	15	1
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7. Sir Edward Kerrison, M.P., Clothing Colonel of the 14th Dragoons—pay as such	£1000	0	0
(Profits on clothing not known.)			
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8. Sir Jasper Nicolls, Clothing Colonel of the 5th Foot—pay as such	£500	0	0
Profits on clothing	706	9	6
	<hr/>		
	£1206	9	6
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9. Sir T. M'Mahon, Clothing Colonel of the 10th Foot—pay as such	£500	0	0
Profits on clothing	783	16	4
	<hr/>		
	£1283	16	4
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10. Sir Alexander Woodford, Clothing Colonel of the 40th Foot. In the year from which the returns are taken he only drew his pay as Clothing Colonel	£590	8	2
And his pay and allowances as Governor of Gibraltar	4095	18	4
The profits being allowed to some officer who attended to the tailoring during his absence in Gibraltar.			
	<hr/>		
	£4686	6	6
<hr/>			
11. Henry D'Oyley, Clothing Colonel of the 33d Foot, whose pay as such is	£500	0	0
Profits on clothing	818	5	4
	<hr/>		
	£1318	5	4

The remaining eight lieutenant-generals and major-generals of the Clothing Board have not yet, or had not at the date of the Army Register, succeeded in obtaining that post of ambition for which all general officers scramble, and all minor officers hope to obtain—namely, the tailor-colonelcy of a regiment.

So far, then, as regards the guarantee that the Board of General Officers offer against clothing-colonels doing their business of tailoring at a profit, the guarantee is nothing, and the expense of that Board might be saved; for they do not perform their duty as inspectors of their own tailoring business without “additional pay,” or “allowance.”

But it is the indiscretion of the angry Major-General that leads to the question of whether that Board offers a sufficient guarantee. The question was not mooted in the Tract No. 4, from which he quotes. The assertion therein was not, as he says, that general officers deliberately “supply bad clothing to obtain greater profits.” The assertion was, that the office of clothing-colonel is conferred on general officers because it affords a profit from the clothes, and that, in cases where the clothing must be of such a good quality as not to afford profit, or much profit, an allowance in money is made to make up for the deficiency. As, for instance, in the cavalry regiments; the pay of clothing colonel (see Sir Edward Kerrison, No. 7 of the foregoing list) is £1000, while it is generally about £500 in the infantry, where the clothing is inferior, and where deaths are more frequent and the profits, consequently, greater.

The military correspondent already quoted, relative to the custom of making charges in regimental necessaries, by which the soldiers have their pay stopped, says,—

“Had Sir W. Napier been a soldier in the same regiment with me he would have had to leave off wearing stable shoes by regimental order, though they were not half worn. He would have been obliged to accept a pair of high-lows to wear in the stables, issued from the Quartermaster’s store, at 9s. 6d., to be paid by stoppages; and in three months (before the high-lows were half worn, or before the second pair of soles were half worn) he would have been obliged to throw the high-lows aside by regimental order, not allowed to wear or retain them in his possession; and he must have submitted to take a pair of shoes, (this time with buckles,) from the Quartermaster’s store, and again pay for them by stoppages. In any cavalry regiment he must submit to take a pair of cloth overalls, and a new stable jacket, and pay for them by stoppages. In any regiment, the soldier who is saving, careful, and so economical as to go to the haberdashers to buy his own linen, hosiery, flannels, or other wares, may look out for the frowns of the troop sergeant-major, (in cavalry;) the colour-sergeant and pay-sergeant, (in infantry,) and the quartermaster in any of them. If the soldier takes the profit which they look for to any other shop he will soon have a handle to his name and a mark upon his character; he will be ‘*Lawyer Brown*.’ If, by a chance, there be a spot upon his belts, or dullness on his brasses, or rust upon his ramrod after that—ah! it had been better for him not to have gone past the barrack store with his custom.”

Major-General Napier proceeds to argue about the captains of the army not having a pecuniary interest in the necessaries served out to the soldiers. It was not alleged that they had. The captains were not spoken of nor hinted at. He proceeds into other matters which have no connexion with the subjects in question; into which nothing but ignorance would lead him.

The question at issue is this:—There being an average of pay and profits pocketed by the clothing-colonels of 130 regiments of about £1200 each, making £123,600, and those clothing-colonels, even by Sir William Napier’s own showing, doing nothing, *good or bad*, with the clothing; “never seeing their regiments,” as he admits; being powerless under the Board of Generals and the Queen’s regulations;—seeing this

to be the case, might not the whole of that sum be saved to the tax-payers? The objection of the Association to the system, as expressed in Tract No. 4, is, that a fiction is contrived by those general officers to take money from the public purse while they blindfold the public eyes. Major-General Napier rushes into print to defend the "honour" of this fiction, and the "honour" of those who blindfold the public eye. Against pay earned by services actually performed the Association make no complaint; nor do they question the amount of such pay, and declare it to be too high. On the contrary, it has always appeared strange to merchants, manufacturers, and others engaged actively in commerce, that gentlemen boasting of their high birth, of their family, and their personal honour, should use family influence to scramble, and political influence to intrigue, for appointments the legitimate pay of which is only about the same as the salaries of junior clerks or head porters in the establishments of merchants; and whose ultimate advancement, if some more powerful scramblers do not force them aside, is to be major-generals, lieutenant-generals, possibly generals, or (twenty thousand chances to one against them) field-marsals; whose legitimate, *honestly avowed pay*, is but equal to the salaries of mercantile clerks of the first class, or the profits of second or third-rate tradesmen. It is their other emoluments, which make their military rank valuable, and which place them in a better position: without these they are discontented grumblers. To obtain these, they scramble into Parliament, or, if they cannot obtain seats there themselves, rack their family influence to the uttermost to place relatives in Parliament, (nearly three hundred such being there now,) through whose venal votes *they may be placed elsewhere* to receive those other emoluments in addition to their legitimate pay, namely,—the head-tailoring of regiments; the horse-dealing of cavalry and artillery; the sinecure commands of garrisons; the staff commands of districts; the commands of ships or dock-yards; the governorships of colonies; the "table allowances," and official pickings of such governorships:—emoluments which are alike oppressive to the distressed tax-payers who bear their burthen, and discreditable to the tax-eaters themselves.

On the 18th Nov., 1848, the *Times* newspaper contained an article directed against the Financial Reform Association, which, with a few facts, contained many unfounded assertions. The Association cannot undertake to answer all such groundless attacks and unscrupulous assailants; but, as some of their correspondents and subscribers have thought those attacks worth replying to, they make a further selection from such correspondents.

A subscriber to the Association wrote thus on the 21st of December:—

"Ever since the 10th of April the *Times* newspaper has assumed to itself the dictatorship of public opinion, and so de-potic are its mandates, that any individual or association suggesting the reform of abuses, or the retrenchment of the public expenditure, for the benefit of the nation at large, are immediately denounced as slanderers, assertors of fallacies and falsehoods. The favourite pets of the *Times* are the officers of the army; no person unconnected with the army (or civilians as they are styled) dare venture to question whether the officers of the army are subjected to all the privations, hardships, losses, &c., &c., and all for the honour of the thing, as the *Times* is continually endeavouring to make us believe. According to that paper of the 18th November last, a Mr. C. A. Stewart has been endeavouring to make the simple-minded people of *Liverpool* (the first time I ever heard of the *Liverpool*onians being called *simpletons*) believe that our standing army is officered by 5734 gentlemen; *men* who spurn an honest profession, but who, nevertheless, dabble in the commission market for their own aggrandizement. Now, Mr. C. A. Stewart has erred in one respect,—he has not laid bare, so much as he might have done, the system of *jobbery*, speculation, and

aristocratic influence, which prevail to such a pernicious extent, to the great injury of the service at large. The *Times* says it is perfectly true that our army is officered by 5734 gentlemen, and nothing but gentlemen; no such thing as a blackleg or *black guard* is to be found amongst the elect 5734, though some of them are, at the present time, awaiting their trial at the Bristol assizes, for stealing door-knockers.

"Did it never strike the editor that one of the greatest *pests* of the present day is the enormous number of very poor gentlemen, leaving out a very numerous class who dub themselves gentlemen for want of another name? Now, Mr. C. A. Stewart and the *Times* are both wrong, as to the number of officers and gentlemen quartered on the National Exchequer. At the present moment, taking those on full pay, half-pay, unattached pay, and retired pay, they amount to the enormous number of 13 000. I am not particular to four or forty, as it is easily ascertained, by a reference to the annual Army List. A large portion of the officers on the unattached and half-pay lists *have been so the greater portion of their lives*. The *Times* asserts that the gentlemen who officer the British army give their services gratuitously, or nearly so, and go into the service only for the honour of the thing; that the aristocrat of Mr. C. A. Stewart's imagination quarters his son on the pockets of the tax payers after the following fashion:—'In consideration of the rank and title of captain conferred, he pays into the National Exchequer some £3000, for which the young gentleman receives the very liberal per centage of about £180 per annum, and the honour of being *exiled* the greater portion of his life.'

"For the information of the Liverpool Association, the prices of commissions of the various grades of officers of 106 regiments of the army, *the only* regiments who perform the hard service the *Times* speaks of, are as follows, viz:—*Ensign*, £450; *Lieutenant*, £700; *Captain*, £1800; *Major*, £3200; *Lieutenant-Colonel*, the highest purchasable grade, £4500. The pay and allowance of a Captain are rather more than £220 per annum. He is also found in furnished lodgings, coals, and candles, and a soldier servant specially appointed to wait on him, free of expense; such extra accommodation could not be obtained in London or Liverpool under 32s. per week, by the most economical gentleman. This will raise his income to about £300 per annum, not such very bad interest for money, especially as this applies to the young gentleman when snugly ensconced in country quarters. It must also be understood, that the officer, on advancing a step, simply pays the *difference of value* between the two commissions. He has also the chance of promotion without purchase: *brevets*, *death vacancies*, *veteran officers* retiring on full pay, and the recent augmentation, have all tended to prevent any outlay of hard cash: the amount of moneys that reach the national exchequer for commissions is mere moonshine—not one in fifty. The *Times* next relates the old worn out story of every Secretary at War, for these twenty years past, when the money vote for the army estimates is being called for, as one of the reasons for augmenting the army, 'exiled to the fevered clime of the *Mediterranean*,' 'the heats of *India*,' 'snows of *Canada*,' 'hope deferred,' &c., &c. 'And to be transported,' that paper says, 'at a moment's notice, from the interior of Canada, in the midst of winter, to the burning plains of Hindoostan!' Only fancy a regiment of infantry, bag and baggage, marching *double quick* some hundreds of miles on the ice to catch a transport, at the mouth of the St. Lawrence, to convey them to India! Do you doubt this, Reformers of Liverpool? The *Times* newspaper declares it. Say no more about the great sea serpent! No, Reformers of Liverpool, such trash is only fit for *Punch*, or a pantomime. No regiment was ever yet sent from Canada to Hindoostan, nor ever will be; at any rate, there is no fear at present, so long as we have 75,000 regular troops idling in the two kingdoms. 7000 marines on shore, 13,000 Irish police soldiers, 15,000 armed pensioners, 10,000 Dock-yard soldiers, 20,000 *yeomanry and militia staffs*, coast blockade men, metropolitan and other police, too numerous to mention.

"In 1823 the number of men voted for the army, ordnance, and marine corps was less than 84,000. In 1848 it amounted to 140,000! Yet police, railways, &c., were not in existence at the former period, to make one thousand soldiers more effective than two thousand without railways. As to service in Canada, Cobbett, who had been a soldier, gave the best description. The Secretary at War was boring the House, on one occasion, with the old tale of *broiling* in India and *freezing* in Canada. Cobbett replied, he had served in Canada in the coldest winter ever known, but he never felt its ill effects. The time of the soldiers was principally occupied, the morning, in shooting wild ducks, or courting the Yankee girls; the evening in sitting round a roaring mess-room fire, smoking, singing, and drinking Jamaica rum, at one shilling the bottle! Indeed, so much attached

are the soldiers to service in Canada, that, on a regiment being ordered home, the greatest difficulty of the commanding officer is to prevent the men from deserting. So much for service in Canada.

"Let us now refer to the land of cholera, fever, and prize money—India. The members of the Liverpool Association have probably observed, by the *Gazette*, the choppings, changings, and retirements that invariably take place on a regiment being ordered to, or returning from, India, particularly in the cavalry. This is what the *Times* means in saying, 'the young gentleman is obliged to purchase, by a further outlay, the irregular and extraordinary advantage of spending three or four years in outpost duty among the peasantry of Connaught and Munster.' The editor might also have added, 'and doing the amiable at all the country balls throughout the kingdom.' The sporting world, the races at Phoenix-park, the clubs, levees, theatres, and midnight revelries of the gay city of Dublin, engage a far larger portion of the officers' time than outpost duty among the peasantry. The *Times* should know that the outpost or detached duties, in disturbed districts, are almost invariably performed by a portion of the 13,000 armed police. The most curious part of the affair of these interchanges is seen when an officer's '*life long exile*' is at an end; when he is about returning, with his regiment, to the land of his fathers. He then gladly exchanges into the regiment coming out; parts with his old corps, comrades, brother officers, and friends, so dear to a soldier, simply to be allowed to continue to be *broiled* in India. This is the practical officer, the soldier who lives by the sword; the fighting soldier, who makes the army his profession. Service in India is not so very disagreeable to the private soldier generally; one-half the regiment, on being ordered home, volunteer to remain behind. Indeed, it is doubtful if entire corps would not so volunteer, if permitted.

"The following army regulation will satisfy the Liverpool Association as to the alleged hardships of service in India. No soldier is permitted to volunteer to continue to serve in India, on his regiment being ordered to Europe, except on the following conditions:—He must be under thirty years of age, of robust health, and of good character. There are occasions when regiments suffer severely from disease, but it more frequently arises from carelessness whilst on the march, and the effects of intemperance. But cholera and fevers, even in India, are not like prize-money, the largest share to the officers! At Kurrackchee, where four hundred men perished in a few days, only one officer died, and he was previously in a bad state of health.

"It cannot have escaped public observation, the early age at which many of the aristocracy became field officers; some of the lieutenant-colonels of the present day attained their rank with less than ten years of *home service!* or, more properly speaking, by ten years of chopping and changing from full-pay to half-pay, from regiment to regiment, &c.,—of course, this is not effected without, as the *Times* says, a further outlay. A private, or rather bribing, transaction of *golden* influence carries the day in those cases, in direct violation of the army regulations. The private soldier who is reported drunk four times within twelve months is liable to be tried by court-martial for habitual drunkenness; the wealthy aristocrat may barter or bribe to obtain increased rank, without service, with impunity, but not exactly as the *Times* says,—'all for the honour of the thing.'

"The sooner the young aristocrat becomes a lieutenant-colonel, the highest purchasable rank, the sooner he becomes a general, a colonel of a regiment, (that is, tailor-colonel,) governor of a colony, or obtains a superior command in India, the most lucrative commands in India being invariably held by officers of the Queen's army. The present governor of the distressed little sugar island of the Mauritius is a general on the staff and colonel of the 13th Regiment of Foot. His salary and allowances amount to nearly ten thousand pounds per annum, with a palace to live in, &c., &c. Not such bad interest for money. At any rate, the *Times* cannot call it 'serving one's country gratuitously.'

"The British army is at present composed of nine field-marskals (the largest number ever on the Army List) and 350 generals, in addition to which there is a long list of local, or, rather, fighting generals, who principally command our armies in India. To this latter class belonged such veterans as Sale, Dennie, and Shelton, of the unfortunate 44th; yet, will the Reformers of Liverpool believe that, immediately regiments to which officers of this description belong, arrive in England, they are no longer generals, but simply regimental lieutenant-colonels, placed on a level with men who were not even born when they were fighting battles which are now historical. The professional veteran officer who has grown gray in the service has not so much chance of becoming a general as those butterflies who flutter in the sunshine of fashion, but who, immediately their corps are

ordered on distant or disagreeable service, make their exit, or, what is still much worse, vegetate on *half*, or *unattached pay*, until another opportunity offers to enter another regiment, to dauble at home.

"The British army is composed of 136 regiments of cavalry and infantry, of which 134 have sinecure colonelships; two regiments (the 60th and Rifle Brigade) have each three general officers, colonels. There are also twenty general officers (colonels) to the artillery and engineers. The ludicrous but lucrative offices of Governors of Berwick, Inverness, Edinburgh Castle, &c., (indeed Edinburgh Castle can boast of having two governors,) are all held by general officers of the army: the only duty they have to perform is to draw their salaries. The Whig Government of 1831 declared their intention of abolishing these nominal but expensive sinecures as they became vacant. It was partially acted upon with the colonial regiments; however, on their resumption of office, they retrograded into the old track, and, what is worse, created sinecures which never before existed. The African corps, which previously never had a sinecure colonelship, was styled the 3rd West India regiment, and a general officer was immediately appointed colonel. The newly organized Canadian regiment has also a general officer colonel, and it is rumoured, that some gallant old warrior, residing at Bath or Cheltenham, is to be appointed to the colonelcy of the Hottentot corps, at the Cape, to increase its efficiency and for the good of the service! *Within this last month, two sinecure colonelships have been added to the corps of Artillery, and twelve colonels and lieutenant-colonels, and eighty captains and subalterns, have also been added.*

"I can satisfactorily show there was not the least necessity for an increase of a single officer; on the contrary, at the present moment, there is one colonel or lieutenant-colonel, and five other officers, to every eighty gunners in the corps of Royal Artillery, nearly double the number serving with the Artillery corps of the East India Company, or of any army in Europe, with the same number of gunners. The corps of Royal Marines is the only one in the British service, in which there are no sinecures; they number near 13,000 men, or about double the number of the twenty-one regiments of Cavalry on home service, each of which has a sinecure colonelship. The services of the Marine corps, in all parts of the globe, are too well known for me to particularize. The Marines are not patronised by the aristocracy. There is no jumping at pleasure from half-pay to full-pay, no chance of beardless youths commanding gray-haired men, no marching through country towns, with all the pomp and parade of glorious war, &c., &c.

"The Reformers of Liverpool will certainly admit, that the officers of the Marine corps are either very ill-treated, or that promotions, rewards, and emoluments, are shamefully and extravagantly lavished on officers of the army. The *Times* says, that in addition to their ordinary duties, (what these mysterious duties are I cannot venture to guess,)—the officers abroad are performing the offices of overseer, collector, Consul, Judge, &c., &c. These are mere imaginations, or gross exaggerations. No military officer holds a civil appointment in the British dominions, without pay or allowances, in addition to his military pay; the ordinary duties of an officer stationed in Liverpool, Manchester, &c., the members of the Association can estimate for themselves.

"Half the officers of every regiment on home service are, and have been, for some time past, on leave of absence, and will continue to be so until March next, 1849. * * * 'Gone home, perhaps, to study,' as the *Times* says—it is reasonable they should know 'a little of *law*,' and proper they should learn 'a little of *history* and *politics*.'

"I should have presumed that no man, having any pretensions to gentility or education, was ignorant of such every-day affairs, as a little *law*, a little *history*, and a little of *politics*.

"Reformers of Liverpool, do not suppose I desire to cast odium on the profession of the soldiery. The empire, on which it is proudly said the sun never sets, must have an effective navy and army: an efficient steam fleet, must and will be our principal and natural defence. However, the game of war is fast passing away. Of all European nations, England has the least cause to fear aggression. Soldiers are required only to garrison our arsenals, dockyards; a few of the larger towns, and to a certain extent, the colonies: recent circumstances have fully shown that the police, with the aid of the citizens, are fully competent to put down internal disorder. The army estimates of 1849 must be reduced from 113,000, to that of 1830—80,000. The ordnance department must be amalgamated with the army, as in India; there must be a limited number of generals, sinecures; and such everlasting pensioners as the Dukes of Schomberg, Grafton, Malborough, &c., must

cease. A saving of £70,000 per annum can be effected by relieving the colonels of the *trouble* of clothing their regiments. Some of our most expensive cavalry regiments, or rather squadrons, composed of many officers and few troopers, must be disbanded; a saving of two or three millions can be easily effected without injury to the service, or danger to the empire. Reformers of England, remember!—the war of the sword is all but past; the war in which we are now fast engaging is that of manufactures and of commerce. Our most powerful rival, the United States, is daily taking the full advantage of our heavily-taxed industry. Englishmen!—you of the middle and trading classes, and you alone, have the power, if you think proper to exercise it, boldly yet temperately, to effect such reforms as will make England what she is not, but what she might and ought to be, the most contented as well as the most wealthy country in the world.

“A CORRESPONDENT.”

It is unnecessary to add to the foregoing practical letter. It may, however, be remarked, that the pay of the sinecure colonels referred to is upwards of £86,000 per annum, and their profits from clothing and horse dealing are at least £75,000, together £161,000, instead of the sum stated by our correspondent. Also, it may be remarked, that there are aristocratic lieutenant-colonels, now commanding the holiday home regiments, who chopped and changed into that rank in less than twelve years. Lord Cardigan, who amuses himself and serves his country in the 11th Hussars, entered the service in 1824, and was lieutenant-colonel in 1830—in six years and seven months. Prince George of Cambridge is still a youth, yet he is major-general commanding Dublin garrison, with pay as such, staff pay, allowances, forage, quarters, servants, &c., also tailor-colonel to the 17th Lancers, from which he receives £900 of pay, besides shop profits; he also has £7000 a year for being one of the Royal Family.

LETTER OF MAJOR-GENERAL SIR WILLIAM F. P. NAPIER.

To the EDITOR of the TIMES.

SIR,—The Liverpool Financial Reform Association has transmitted to me its tracts, desirous, I suppose, to fix my attention on the statements relative to the army; and truly I find something very worthy of attention in the following paragraph, introduced after an assertion that the colonels of regiments supply bad clothing to obtain greater profits:—

“4th Tract, page 52.—It is also necessary to remark, that the clothes provided by the colonel are only a part of what the soldier wears. All linen, flannel, hosiery, shoes, forage caps, stocks, brushes, combs, and small articles, besides at least one cloth overall for dragoons, and, occasionally, trousers for infantry, are provided by the quartermaster and his chief, the clothing colonel, and paid for out of the soldier's pay by daily stoppages. The profits accruing from these regimental clothes shops afford an inducement to the heads of that department of the service to be continually devising changes in the style of dress, of underclothing, of boots, of shoes, and the other necessaries, so that the men are obliged to purchase new articles and submit to stoppages in payment of them, while the articles set aside and declared to be unregimental are yet in good condition—in many cases not half worn.”

In opposition to this statement I offer the following facts, and call upon the public to say what the honour of that Association can be which thus, knowing the truth, publishes the false; or, what its title to guide and instruct the nation, if in ignorance, arising from want of due inquiry, it scruples not to vilify and insult officers having the honourable claim of long and arduous services to the respect of the people:—

First, as to the injurious assumption that colonels profit by furnishing bad clothing to their regiments.

The clothing of the army is settled by the Queen's Government. The colonels have only to furnish it according to the Royal warrant and established pattern. It has been the same from time immemorial. It is, as to texture and value, superior to the clothing of any continental army, and to protect the soldier from unfair practices in the supply, the following checks have been provided.

A permanent Board of general officers, sitting in London, receives samples of every article, and if, according to the Royal warrant, those samples are sealed and transmitted to the regiments as a test for the examination of the clothing for the year; but not until the clothing has been again checked by the examination of the inspecting officers of army clothing, a different body from the inspecting Board of generals. When that clothing arrives, the lieutenant-colonel orders a Board of regimental officers, assisted by the master tailor and shoemaker, to examine if the articles agree with the sealed patterns; if not, the whole, or part, as the case may be, is thrown back on the colonel's hands, and he must provide better articles, and settle as he can with the clothiers.

The interest and pride of the lieutenant-colonel and Board of regimental officers are evidently involved in this examination,—with the soldiers, as officers having a just feeling for the rights of the men; with the Horse Guards and the public, as presenting a contented, well-dressed corps, or the contrary. But the check does not stop there. The general officer commanding is bound, at his half-yearly inspection, to ascertain whether the Queen's regulations have been obeyed; whether the soldiers have any complaints to make; and he transmits formal reports of these things to the Commander-in-Chief. Nor is this duty lightly performed. Nothing is more frank and just than the intercourse on such occasions between the general and the soldiers. The officers are ordered to retire, the general remains alone with the men; he invites, he encourages them to state their just grievances, if they have any. Nay, if they only think they have cause of dissatisfaction, his duty is to listen patiently, and show their errors, if there be error.

So much for profit derived from bad clothing. Let me now examine the paragraph quoted from page 52, Tract 4.

The paragraph assumes that colonels of regiments, officers who have passed their youth in honourable service, do, in their old age, abandon all sense of justice and decency, eke out their allowances with miserably frauds on the soldiers by whose valour they have been raised to the situations they thus disgrace. Is there even seeming grounds for such a revolting insolence of falsehood? Let the following statement of facts answer:—

1. The extra articles of clothing, termed in military parlance “necessaries,” are not provided by “the quartermaster or his chief, the clothing colonel.” They are not provided by the colonel at all. They are obtained under the control of the captain, by the pay-sergeant and the men themselves; and the Queen’s regulations strictly command that the best and cheapest articles shall be provided. If the quartermaster’s stores are resorted to, it is because the articles for the soldier are strictly regimental in fashion, and being purchased wholesale, are better and cheaper, the price being fixed from time to time by the lieutenant-colonel, assisted by a board of officers; in any case the colonel has no partnership in, or control over, the sales or purchases; his operations are confined to the general clothing established by the Queen’s warrant. So entirely unconstrained are the soldiers, that good men, and generally married men, are allowed, and even encouraged, to purchase for themselves, and when the pay-sergeant is employed to buy (at the retail shops) for the company, one or more soldiers, shoemakers, tailors, or other handicraft men, go with them to overlook and advise him as to the bargains!

2. The Royal regulations admit only of a specified number and fashion of necessaries for a soldier. The colonel, who is never with the regiment, knows nothing of this supply, nothing of the cost, nothing of the arrangements as to form, fashion, change, or duration. Such matters belong to the interior economy of regiments, and, subject to the regulations, are under the control of the lieutenant-colonel and the captains.

But there may be abuses; look at the checks:

1. A captain orders a soldier to take a new pair of trousers, but within the regulations; he cannot travel out of them as to form or number. The soldier demurs, appeals to the commanding-officer, who decides against him; the man can still appeal to the inspecting-general, or he may have a court-martial on the case, though that, in a doubtful matter, would be hazardous; but he is not deterred by any fear from complaining, by letter, to the Commander-in-Chief.

Is this official protection all he has to rely upon? No; there is for the lieutenant-colonel a personal motive to do justice to the soldier. All complaints made to the inspecting-general must be reported to the Horse Guards, and many of them would seriously affect his reputation and prospects. It is the same for the captain, who has also a pecuniary interest to contract rather than to augment the soldier’s expenses. Foul dealing cannot be hidden. Each soldier has a little book of his accounts, signed by the captain; the inspecting-general compares this with the captain’s books, signed by the soldier, and a reference to the regimental defaulter’s-book would show whether the man was well or ill-behaved; if the former, it would give weight to his complaint. Again, the inspecting-general, if he finds the aggregate debt of a company of 100 men to exceed £10, must make a special report of the fact, and, if no satisfactory explanation be furnished, the lieutenant-colonel and captain would incur the Commander-in-Chief’s displeasure.

The captain’s pecuniary interest is powerfully in favour of the soldier. If a man dies, or deserts, his accounts are immediately made up, and the credit balance transmitted to the Secretary at War for the heirs, or falling of heirs, for the public treasury. But if there be a debt balance, the captain loses it, and the expense of the man’s funeral also, and there an end. He must, therefore, be at once both stupid and dishonourable to cheat the soldiers, and take money out of his own pocket to put in that of his colonel, a man whom he has probably never seen, may never see, and from whom he can scarcely hope any benefit.

Such, Sir, is the system established for the protection of the soldier, who has also the guarantee, no sli ht one in the British army, of his officer’s honour as a gentleman. Will those persons who have so wantonly and so recklessly assailed that system and that honour, make public their system towards the poor labouring men, women, and children, from whose ceaseless toil they derive their own riches? Will they publish a true detailed account of their truck system? Will they state what care, what money, what help, what protection, they bestow on their sick labouring people when profits are falling?

W. NAPIER,
Major-General, Colonel of the 27th Regiment.

LETTER OF ROBERTSON GLADSTONE, ESQ. IN REPLY TO SIR WILLIAM NAPIER.

To the EDITOR of the LONDON TIMES.

SIR,—In the *Times* of December 29 there is a letter signed “W. Napier, Major-General, Colonel of the 27th Regiment,” in which a quotation is made from Tract No. 4 of the Financial Reform Association, followed by these words:—“In opposition to this statement I offer the following facts, and call upon the public to say, what the honour of that Association can be which thus, knowing the truth, publishes the false; or what its title to guide and instruct the nation, if in ignorance, arising from want of due inquiry, it scruples not to vilify and insult officers having the honourable claim of long and arduous services to the respect of the people.”

However desirous of avoiding personal argument the Association may be, (and that they are so their silence under repeated misrepresentation is a proof,) they cannot allow a charge of publishing that which is “false,” or publishing any statement, without “due inquiry,” to be made in such a form as in the *Times* of the 29th of December, to pass uncontradicted, being well aware that any title which they may possess to public confidence must rest altogether upon strict veracity and careful adherence to

facts on their part; while, on the other hand, it is evident in minor details, considering all the difficulties of obtaining precise information upon every particular, errors may occasionally creep into their statements; but the main facts being derived from authentic Parliamentary documents, are correct, or, if otherwise, the fault does not rest with the Association.

That part of the tract which Major-General Napier quotes is a continuation of what he does not quote, and to be clearly understood should be read in connexion with its preceding paragraphs. The subject is the clothing of the army. The figures are taken from Parliamentary documents, and stand thus in the Army estimates, and thus in the tract which is pronounced to be false:—

Clothing allowances to colonels for providing clothing as borne on establishment.	£305,642	15	6
Special allowance to the colonel of the Grenadier Guards, as borne on establishment	1,093	8	10
Allowances to colonels for providing clothing for augmentations.	3,500	0	0
Allowances to colonels for providing clothing to supernumeraries.	3,000	0	0
Allowances to certain cavalry regiments to cover deficiencies in the allowances for providing clothing, &c.,	1,850	0	0
Cost of patterns, marking great coats, &c.	400	0	0
Total for clothing.	£315,486	4	4

It became necessary at this point to explain in the Tract that this sum was not the "total for clothing;" that great coats (which are certainly a part of the clothing of a soldier, in the financial, if not in the military sense of the word) are charged for, not in the Army estimates, though used by the Army, but in the Ordnance estimates. It was also necessary to remark at this point, that while the public might suppose the sum of £315,486. 4s. 4d. to be expended in clothing the army, as the common-sense reading of the estimate would lead them to believe, such was not the case. The following words were used:—"The colonels, by whom the clothing is provided, are in most instances general officers, who obtain the head colonelcies of regiments to provide the clothing as a matter of trade and profit. They are, in the most literal sense of the expression, dealers in clothes. When a regiment goes abroad, becomes sickly, and is thinned by death, the clothing colonel to whom it belongs, and who remains at home, receives the money not required for dead or sick men, as his own emolument."

Is this that which is "false?" Is this the insult? If it be false, it is worse than an insult; if it be true, those who profit by the system must bear its odium. It is true. Let us look at it more closely.

Major-General Napier signs himself "Colonel of the 27th Regiment." A reference to Hart's Army Register shows that he "obtained his regiment" on the 5th of February, 1848; consequently, he has not yet had it one year, and may not know how much "emolument" (the military word) or profit (the trade word) he will receive. Circumstances, however, will guide him to form an estimate, or any one else caring to know. Is the 27th Regiment serving in an unhealthy climate? and is its numerical strength being reduced by death? If reduced, how far is the number short of the full complement for which he has drawn clothing money? The latest official returns published are those of "Public Salaries," 1848, referring to the previous year. Turning to these, it is seen that the officer, a lieutenant-general, who was then colonel of the 27th, had his pay and emoluments returned by the War-office at £1214. 4s.; the pay as colonel being, for such a regiment, about £500; the amount of emolument, or profit, out of the money voted by Parliament, under the head of "Clothing," as quoted in Tract No. 4, would be £714. 4s.

This regiment was evidently not at its full strength then, else the emolument would have been only about £500, which, with the pay of £500, would have given the *minimum* income from this source of £1000. Had the regiment been as much reduced as the 22d was in 1843, (Sir Charles James Napier's regiment,) the profit would have been as high as £942. 9s. 1d. The pay of £500 added to that sum, gave the clothing colonel who then held it the amount, according to the Parliamentary document, of £1442. 9s. 1d.

It is to be remarked that most of these general officers have other official incomes than the pay and emoluments of the clothing department. Several made "no returns," but as nearly as an average can be calculated, the emoluments from clothing are £75,000. The estimate, as voted by Parliament, is therefore this much more than necessary. And the pay of the clothing colonels is £86,850 7s. 6d., varying from £1800 in the household cavalry, to £500 in the infantry of the line. This experience is likewise unnecessary; if Sir William Napier describes the duties of the colonels truly, they seldom see, may possibly never have seen, their regiment; they have no control over the quality, pattern, or issue of the clothing; in short, they do nothing—they are permitted to do nothing.

Yet, probably, in respect of them, as the Board of General Officers who inspect the clothing, and protect the regiments from having an inferior article imposed on them, the Major-General proves too much. No imputation is cast upon that Board of officers in the Financial Reform Tracts; they are not hinted at. But as the Major-General chooses to appeal to their existence as a proof that a check upon the issue of clothing is established, it is not improper to point to the fact in return, that eleven out of nineteen of the members of that Board are in receipt of profits from clothing, besides their pay as colonels, of sums varying from £550 to £876 each.

General Napier's assertion, that the clothing in the British army is better than in other services, proves nothing. Be it what it may, it is worse by £75,000 a year, or thereabouts, than the country pays for. Its having been the same from time immemorial only tends to show the necessity for improvement.

Another part of that statement which Sir William Napier pronounces in the *Times* to be "false," was, that in cases where no profits arise to the colonels, because of the superior quality of the clothing, allowances are made to them accordingly. The official returns bear out this statement to the very letter. The clothing is more costly in the Life Guards than in the 1st Dragoon Guards of the line; and the pay of the clothing colonels is £1800 each. It is more costly in the 1st Dragoon Guards than in the 2nd Dragoon Guards, and their pay is, in the former £1100, while in the latter it is £1000. The clothing is more costly in the cavalry than in the infantry, and so £1000 and £900 of pay is allowed in the former instead of £500 and large profits in the latter.

Moreover, some regiments, as the Grenadier Guards, instead of allowing a profit on their clothing, require, as in the estimate, special allowance to the colonels, as borne on the establishment, £1093 8s. 10d. And as the 11th Hussars, whose scarlet trousers are extras, require and obtain in the estimates such an item as the following:—Allowances to certain cavalry regiments to cover deficiencies in the allowances for providing clothing, &c., £1850.

It was such items as these that formed the preceding paragraphs, which Sir William Napier did not quote, but which he referred to, and would have the public believe to be "false."

The paragraph which he did quote, ceased to have its full meaning and force when detached, to do duty by itself. It became necessary to explain (and in doing so that paragraph was written) that though a certain sum of money was voted for clothing the army, that clothing only formed a part of what the soldier required; that all linen, hosiery, flannels, forage caps, bags, breeches, gloves, stocks, brushes, &c., were provided out of the soldier's pay.

There is nothing "false" in that: it is a fact. The Major-General goes into proofs to show that captains of companies have no pecuniary interest in the issue of those things to their men. The Tracts of the Association, which he referred to as false, did not say they had, nor allude to them in any respect.

But it mentioned quartermasters of regiments as having a pecuniary interest in serving the soldiers with those articles. It might have mentioned others acting between the quartermasters and the privates, but did not. It stated that the clothing colonels of cavalry regiments are also horse-dealers; that they have a profit on colts and fillies purchased young, and fed at regimental charge. The expression "horse-dealer" may be unpalatable, but it is true.

Those portions of the Major-General's letter stating how the soldier is encouraged to complain to the Inspecting-General, and, if he heeds not, to the Commander-in-Chief, of the conduct of his regimental superiors, or to his commanding-officers, of any other officer, do not come within the range of business before the Financial Reform Association. But if any soldier in the ranks be asked his opinion on those points it will differ altogether from that of Sir William Napier. A soldier who reports his non-commissioned officers to their superiors, or any of the regimental-officers to their superiors, is a "marked man." He makes to himself a bed of thorns, on which he must lie so long as he is in the regiment—so it is said.

Sir William F. P. Napier concludes thus:—"Such, Sir, is the system established for the protection of the soldier, who has also the guarantee (no slight one in the British army) of his officer's honour as a gentleman. Will those persons who have so wantonly and so recklessly assailed that system and that honour, make public their system towards the poor labouring men, women, and children, from whose ceaseless toil they derive their own riches? Will they publish a true detailed account of their truck system? Will they state what care, what money, what help, what protection, they bestow on their sick labouring people when profits are falling?"

This paragraph might be left to be answered by its own irrelevance and absurdity, were it not that there may be, possibly, somebody to read it as ignorant of the questions involved in it as its writer seems to be. Therefore it shall be answered.

1. "Such is the system established for the protection of the soldier—[Protection against whom?]—who has also the guarantee—no slight one in the British army—of his officer's honour."

The Financial Reform Association made no reflection on the honour of the regimental officers. The elaborate explanation of "that system" which protects the soldier from them does reflect on their honour.

2. "Will those persons who have so wantonly and so recklessly assailed that system," &c.

The system of protecting the soldier was not assailed. It was the system of voting money in Parliament, in name of providing clothing for the army, part of which money is afterwards divided as emoluments among general officers, some of whom sit in Parliament, and vote these very sums (£714. 4s. of which is Sir William Napier's share, besides his other pay,) which was assailed.

3. "Will they publish a true detailed account of their truck system?"

They have no truck system; nor does payment by truck exist in Liverpool in the business of commerce or manufactures. If it exists at all, now that laws have been enacted to suppress it, it is when "tailing" wheat is given to labourers as wages at the rate of £12 a load, while good wheat sells at £10 a load, as explained in the *Times* of December 30, or on certain properties about Kilkenny and Tipperary, probably not unknown to Sir William Napier, where the field labourer is paid by letting con-acres to plant potatoes at £8, £10, £12, or £14 per acre, or in paying the daily wages in two meals of potatoes and buttermilk, and one of yellow meal.

4. "Will they state what care, what money, what help, what protection, they bestow on their sick labouring people when profits are falling?"

Yes, they not only support at all times and under all circumstances, their public hospitals for the sick poor, but (as well as their labouring men, women, and children) are taxed to pay for the medical establishment for the sick military officer; they pay for the regimental hospitals and all their expenses, except that portion of them paid by the stoppages on the pay of the private soldier patients, whose officers pay nothing.

The prominence you have given to Sir William F. P. Napier's letter, charging the Financial Reform Association with publishing falsehoods, and charging them with other sins, which are here replied to, lead them to expect the same favour to this communication.—I am, &c.,

ROBERTSON GLADSTONE,
President of the Financial Reform Association.

Liverpool, January 4, 1849.

The Financial Reform Association was instituted in Liverpool, on the 20th of April, 1848, for the following

OBJECTS.

1st. To use all lawful and constitutional means of inducing the most rigid economy in the expenditure of the Government, consistent with due efficiency in the several departments in the public service.

2nd. To advocate the adoption of a simple and equitable system of direct taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensively collected duties upon commodities.

Political partisanship is distinctly disowned, the Association being composed of men of all political parties.

ROBERTSON GLADSTONE, Esq., President.

TERMS OF MEMBERSHIP.—Five Shillings per annum for the year ending April 19th, 1849; and a Subscription of Ten Shillings and upwards will entitle Members to receive all the publications of the Association free by post.

Post-office orders to be made payable to EDWARD BRODRIBB, Esq., Treasurer of the Association, Harrington Chambers, North John-street.

FINANCIAL REFORM ASSOCIATION,
Harrington Chambers, North John-street, Liverpool, January, 1849.

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FINANCIAL REFORM TRACTS.

No. 8.

THE WOODS, FORESTS, AND ESTATES OF THE CROWN.

BEFORE considering the present management of the Woods, Forests, and Estates of the Crown, it appears desirable to lay before the public a short sketch of the history of this national property; the Financial Reform Association would therefore invite attention to the following particulars:—The Estates of the Crown enumerated in Domesday Book, are—1,422 manors, 68 Royal forests, 13 chases, and 781 parks, in different parts of the country;* of which, while a small part was, no doubt, regarded as the private estate of the Sovereign, and a further portion consisted of confiscated Saxon property, over which he would naturally exercise a conqueror's right, the great bulk was, under the Saxon Kings, denominated "Folkland," *land of the people*, and, as such, strictly inalienable under any circumstances. Fleta says, and he is confirmed by Bracton, that "it is unlawful for the King to alienate ancient manors or rights annexed to the Crown, and that every King is bound to resume the alienated property of the Crown;" and he adds, "nor will prescription of length of time avail the wrongful holder of this property; for length of time in this case only aggravates, rather than lessens, the injury;" and though this fundamental law was violated by nearly every Sovereign in succession, we find frequent resumptions of all such illegal grants, down to the reign of Henry VIII., with impeachments of Ministers for procuring grants; and similar measures were proposed under James I., and even as late as Charles II.; but these fell through, the receivers of the stolen property being by this time too powerful; and by 21st James I., c. 5, (amended and made more effectual by 9th George III., c. 16,) it was enacted for their security, "that a quiet and uninterrupted enjoyment of sixty years before the passing of that act, of any estate originally derived from the Crown, should bar the Crown from any right or suit to recover such estate, under pretence of any flaw in the grant, or *other defect of title*." Queen Elizabeth had alienated Crown lands to a large extent, to save imposing taxes on the people; it would be well if her successors could assign any reason half as creditable for their dilapidations. James I. granted away the national property in foolish prodigality; Charles I., in order to avoid calling a Parliament, and to make war upon his people. Cromwell sold nearly the whole of the Crown property, but the sales were declared void, and the lands resumed, immediately on the restoration, by Charles II., who forthwith made away with a large portion, in his turn, to provide funds for his debaucheries, and estates for his mistresses and their children; and

* "Nere hand to the value of the fifth part of his (the Conqueror's) realme, above the Estates of the Church," says Chief Justice Fortescue.

William III., to establish and reward his Dutch followers and the promoters of the revolution, so impoverished the Crown (the estates "being almost all granted away"), that an act was passed (Anne I. c. 7), restricting all future grants and leases from the Crown to three lives or thirty-one years; the fact being that the Ministry of the day consented to the measure, because there were no estates of any consequence remaining for them to dispose of. There is, however, strong reason to believe that this law, like others made for the same purpose, availed very little, and that the remnant of the national estates continued to be regarded by each successive King and Ministry as a convenient fund, to be disposed of at their absolute discretion in jobbing and political corruption, or simple peculation, as might appear most expedient: and that effectual means were generally taken to prevent detection, or even inquiry, will appear from the voluminous reports to Parliament (A.D. 1787 to 1792) of the Commissioners of Inquiry appointed under George III., A.D. 1786. It is therein set forth, with due official lamentation, among other matters, that there were "no maps, surveys, or other accounts;" "not one plan of any forest which proved accurate;" the then late Surveyor-General, Mr. John Pitt, stating that none had ever come into his possession, and that he had endeavoured to supply the deficiency as far as possible from "old books purchased at sales;" also that "he believed many grants had been made, of which no record existed in his office;" the Commissioners refer also to "abuses" which they have discovered in the management of the forests; so that on the whole it can scarcely excite surprise to find that the income from all the Crown property, which in 1660 was stated to be £217,900, exclusive of £45,698 then already lost, had, in 1787, dwindled down to £10,563 12s. 1d., with a prospective augmentation of £6,221 0s. 2½d. more; and this, though the real annual value, according to the latest surveys and valuations, many of which, as the Commissioners are careful to inform us, were by no means recent, and gave but a very imperfect notion of their actual worth, was £102,626 14s. 1½d.! In looking over the list of Crown tenants, it is painful to find so many of the nobility and gentry of the land combining to defraud the public. "Baron, and squire, and knight of the shire,"—clergyman and layman, appear emulously scrambling for a share of the nation's spoils. A few specimens may be worth insertion here as curiosities:—The Duke of Bedford held the manor and estates of Ampthill and Millbrooke, valued at £508 6s. 11d. yearly, at a rent of £10 13s. 4d. per annum, to be raised to £50 after the Duchess of Marlborough's death, having paid a fine of £420 for the lease;* Lord Gower, a mansion and offices worth £500 per annum, at a rent of £56 13s. 4d., with a fine of £170; Frederick, Earl of Carlisle, Lanercost Priory, with divers messuages and lands, value £213 7s. yearly, at £40 per annum, and £300 fine; Rev. John Fullarton, demesne land in the Forest of Gillingham, value £402 10s., for £32 10s. and a fine of £320; Lord Villiers, the manor of West Ashford, value £122, for £11 18s. 3d. per annum, and no fine; † Rev. James Wilkinson (in trust) the manor and demesnes of Eckington, value £713 13s. 10d., for £46 1s. 6d., and a fine of £1,250; ‡ George, Duke of Marlborough, Marlborough House and lands adjoining, value £600 per annum, for £75 rent, and a fine of £30.

* This property was sold to Lord Holland, in 1820, for £14,561 17s. 1d.

† Sold, in 1816, to John Williams, Esq., for £3,000.

‡ Sold to various purchasers, A.D. 1804 to 1828, for £59,102 18s.

In short, the large resources, provided by our Saxon ancestors to defray the expenses of Government, have been squandered, plundered, and nearly dissipated, and their places supplied by most oppressive and unequal taxes upon the industry of the people. William the Conqueror's income from this source was estimated at £1,061 10s. 1½d. per day, now variously computed to be worth, in our present money (entirely exclusive of the increased value of property), from five to eight or ten millions per annum. Last year's (1846) net payment into the Exchequer, from the Woods, Forests, and Crown Lands, was £77,000 !

In concluding this branch of the subject, the Association are reluctantly compelled to avow, that unless a sense of the dishonour of retaining property, obtained by such flagitious means, should lead any of the present wrongful holders of the people's inheritance and estate to restore it voluntarily, they see no hope of ever recovering any part thereof. That process would be so beset with difficulties, so complicated by a variety of opposing considerations, at every step, as to be all but politically impossible. The facts here detailed, however, will not be without their weight in determining the proper rate of a Land and Property Tax; and they teach impressively the practical lesson that no Government should ever be trusted by the people, without constant and vigilant inspection.

The remains of the national property were placed under the management of the existing Board of Commissioners, by Act 50 Geo. III., c. 65, passed in 1810; and the date deserves notice, seeing that this measure was "most particularly recommended" (by the commissioners of inquiry in 1793), and appears to have been delayed seventeen years, until "the death of the late Surveyor-General of Land Revenue, in 1809," afforded a "convenient opportunity of carrying this scheme into effect." (See commissioners' first report, 1812.) The land revenues of Ireland were not handed over to the commissioners until 1827, nor those of Scotland until 1832; and in the same year the office of Surveyor-General of Works and Public Buildings was added, and, concurrently, the Board were "charged with the execution of improvements in various parts of the metropolis." (Report of Select Committee, 1848.) Thus the Board has now the management of, first, all the royal gardens, parks, forests, and woodlands; second, the land revenue, consisting of leasehold rents, fee-farm rents, and profits of mines, manors, &c., in London, and in nearly every county in England and Wales. (It may be needful to explain that the fee-farm rents are small *fixed* sums, reserved to the Crown in former grants and sales, and, with very few exceptions, each, probably, the evidence of some bygone waste or dilapidation. They were formerly extremely numerous, but have, very properly, been sold to a large extent.) These yielded, in the year ending 5th January, 1847, a gross revenue of £196,609 5s. 2½d., besides some small extras in England and Wales; quit, Crown, and composition rents, mesne profits, &c., in Ireland, gave £50,705 18s. 2d.; Crown rents and duties, fines, compositions, &c., in Scotland, £15,733 17s. 6½d.; Alderney and Man, sundries, £6,300 8s. 8d. The commissioners have also the control of the Holyhead Road and Harbour, besides all public works and buildings, including repairs and alterations in the Royal palaces and gardens, the public offices, the new Houses of Parliament, &c., &c. It is obvious, at the first glance, that to fulfil efficiently duties so important and multifarious must require considerable ability, great energy and industry, and

a large amount of various knowledge in the commissioners; and that even these will be unavailing without the utmost exactness and regularity in all matters of account; a careful selection of subordinates in each department, and the most strict and vigilant supervision, so that every individual officer may feel himself liable to be called upon frequently, and at any moment, to give an account of his trust to a competent superior, who will neither pardon incapacity, nor connive at the slightest breach of integrity.

Before examining how far the present system has succeeded in the objects for which it was established, or acted beneficially for the public interest, it may be well to allude, briefly, to the constitution of the Board of Commissioners itself, and to the present members thereof. The commissioners are three in number. The office of first commissioner has become a purely political appointment, generally filled by one of that class whose peculiar privilege it seems to be, to receive in every department of the public service the largest amount of pay for the smallest quantity of work, with no real responsibility. Of course, each change of Ministry brings with it a new first commissioner, to receive £2,000 per annum for performing certain routine functions, under the instruction of his colleagues and subordinates, but who is, most probably, displaced by the time he has acquired any sufficient knowledge of the property under his administration, by a successor, equally ready to receive the pay, and equally requiring tuition on every point of his official duties. Lord Carlisle, the present first commissioner, before Lord Duncan's committee,* (Q. 68, *et seq.*) defines clearly enough the separate departments of the second and third commissioners; but, of the first, he "is not aware that he can state distinctly that his duties differ from those of the other commissioners, as to any matters that come within the cognizance of the Woods and Forests." And again:—"He rather presides over the whole business than attends to any particular branch." A pleasant, gentlemanly position, no doubt, conveniently precluding any liability to censure for abuses, however gross, provided only that they are of sufficiently long standing. The only special duties of the chief commissioner, belonging strictly to the Woods and Forests, are to "attend the Board regularly every Tuesday and Friday," and be the official medium of communication with the Crown and the Treasury, when in town; though he holds other offices, or is member of other commissions, amounting in all to not fewer than nineteen, many of which, however, are "nominal appointments," in the duties of which his Lordship has never taken, or been invited to take, any share; while only three (the Commons' Enclosure Commission, the Duchy of Cornwall, and the Metropolitan Sewers' Commission), appear to involve any real work, or to consume much time; and altogether, "in addition to the necessity of attending to sanitary measures in Parliament, though those duties fully occupy my time, are not more than can be entrusted to the same person" (155); though to the next question his Lordship "is not prepared to say that fuller justice might not be done to some of those offices by a person who had less to do" (156). The two answers do not cohere very well, but the Association cannot help that. The patronage is, of course, apportioned in an inverse ratio to the work: the chief commissioner makes

* Throughout this article the figures in brackets refer to the evidence before Lord Duncan's committee.

"all out-door appointments," including "the deputy surveyors and receivers," and the "architect;" and the in-door clerks are appointed by the three commissioners in turn. (157, 158, 159.)

The second commissioner, Alexander Milne, Esq., was appointed a commissioner in 1834, having been previously to that time private secretary to the chief commissioner in 1803, and secretary to the Board in 1810. He receives £1,200 salary, and £250 compensation for loss of income by his promotion, and "lives upon the premises,"—rent free, of course, though this is not stated. He "has the general duty of inquiring into the Royal forests, parks, woodlands, the Holyhead roads, the improvements in the Metropolis, for which acts have passed the Legislature, and the public works and buildings." Lord Carlisle adds, "and the superintendence and inspection of the accounts of the department;" but to this Mr. Milne very prudently demurs, and says that this duty "belongs in common to all the members of the Board" (344). It appears that Mr. Milne was specially recommended for appointment as a commissioner by Lord Duncannon, on the 31st July, 1834, as "intimately acquainted with all the Crown estates," and as, "in the situation of commissioner, he will have the opportunity of constantly visiting the forests, and of giving effect to the regulations made for bringing them to a greater degree of perfection;" and that Mr. Milne, since his appointment, has been in the New Forest "once in every year, and frequently twice, not more than twice in any year, but always once" (4722); and, being asked by Mr. Trelawney "whether it has ever occurred to him that improvements might be effected in the conduct of the business of the office of Woods and Forests, or in the management of the estates generally, and have you any suggestion to offer upon the subject?" Mr. Milne replies, "that question is so general I am not aware that I could suggest any improvement in the general system; on particular details I have no doubt improvements may be always made" (4752). Taken in connexion with the evidence, which will presently be adduced, of the state of the department of which Mr. Milne is the acknowledged head, these two answers appear to the Association to demonstrate completely the utter unfitness of Mr. Milne for the important post he occupies.

The third commissioner is the Honourable Charles Gore, who "is more especially concerned with the lands and manors in England and Wales, in the Isle of Man and Alderney, with the land revenues of the Crown in Scotland and Ireland, with the office of Quit Rents in Ireland, and with all leasehold houses in London, Windsor, and Richmond" (68). The valuable labours of Lord Duncan's committee having been brought to a close last session, before going through this branch of the business of the Woods and Forests, the Association reserve any observations upon the third commissioner, his duties, and the manner in which they are performed, in the hope of being furnished in a few months, by the re-appointment of that committee, with full and particular information upon many points, respecting which they, with the public generally, are now much in the dark. Meantime it may be well to give both the junior commissioners the benefit of Lord Carlisle's statement, that "the duties of the office are at present discharged by the two other commissioners, with singular industry and intelligence" (189); and to hope that Mr. Gore's department may be found to justify the eulogium somewhat better than his colleague's. The value of his Lordship's certificate to character

will, however, scarcely be improved, by his recorded belief, "that those estates, namely, the Woods and Forests, have been managed with singular attention, and with the greatest diligence and intelligence" (229). After reading the subsequent evidence, it is impossible to resist the impression, that his Lordship simply knew nothing whatever about the matter, and good-naturedly endeavoured to make the best of his colleagues and subordinates before the committee and the public.

The three commissioners, though called chief and juniors, are upon an equal footing of rank and authority, and Lord Carlisle (189) "is not prepared to say whether, upon general grounds, a paramount head of the department would not be the most efficient mode of transacting its business; three persons, with concurrent rights, might occasionally run the risk of coming into conflict," and (221) "such a state of things would occasion great embarrassment;" which the Association see no reason to doubt any more than that (207) "the business of the office is much complicated and impeded by the communications, in writing and verbally, made from time to time, with the Treasury," which his Lordship, in substance, admits. "The responsibility of the three commissioners is common," says his Lordship (76), but he does not say, nor have the Association been able to ascertain, wherein the responsibility consists, nor how it is to be enforced; and they are constrained to consider the term an official fiction, being well assured that, had any legal responsibility existed, or other means been at hand to punish the commissioners for gross neglect and mal-administration, neither the accounts of the office, nor the property under their charge, would have been in so disgraceful a state, as the evidence before Lord Duncan's committee discloses.

What sort of accounts the commissioners kept before 1829 does not appear, book-keeping by double entry being first introduced in that year by Lord Lowther; but it *does* appear, very clearly, that Mr. Milne had excellent reasons for not choosing to allow the control of the accounts to be reckoned as belonging solely to his department, if he could help it, inasmuch as, on the 25th July, 1848, the last accounts made up and submitted for audit were to 31st March, 1843, which had been examined by the auditors to 31st March, 1842, but not finally audited beyond 31st March, 1839; though "the persons employed in making the payments of the Board, and in the examination of the accounts, and in making up the books of account, amount to fifteen," whose salaries exceed £4,100 per annum—"a full and fair establishment for such accounts—they appear to be limited." And, after all, "the accounts have not been kept in such a way as to enable a clear account (namely, of capital and income) to be made: besides, the books, though they have recorded the payments into the Exchequer, have never furnished such information as to prove the accuracy of the sums paid over, and, therefore, it has been generally a matter of estimate." (Evidence of W. G. Anderson, Esq., Assistant Paymaster-General, who "has lately commenced to place these accounts on a better footing."—See No. 5,593, *et seq.*) The ruinous consequences of such arrears of account will immediately suggest themselves to every one in the least acquainted with business. The Association rejoice to observe that a reform has commenced in this respect. It would seem, however, to be due to the Treasury, and not at all to the "singular industry and intelligence," of any of the commissioners.

The committee of last session, in their report, divide the twelve Royal

Forests, still subsisting, into two classes:—"1st, Forests in which the interests of the Crown have been defined and freed from all intermixture with the rights of individuals; and, 2nd, Forests in which that intermixture still exists." They add:—"That the prejudicial effects of this intermixture were adverted to, and strongly deprecated, by the commissioners of 1787, in their reports, addressed to the King and Parliament, upon the condition of the forests at that period," and proceed to inform us that, in seven forests, namely, Windsor, Bere, Woolmer, Alice Holt, Delamere, Parkhurst, and Salcey, "enclosures have been effected and allotments in severalty made to the Crown;" while in the five remaining forests of Dean, Whittlewood, Waltham, Whychwood, and New Forest, an intermixture of the rights of individuals with those of the Crown still exists, more or less. The Association find that the former class contains 20,486 acres, the latter about 108,368 acres, so that, in sixty years, one-sixth part only of an arrangement so evidently and urgently needful, for the due and profitable management of the property, has been accomplished: for which delay the Board of Commissioners are solely responsible, since it is inconceivable that Parliament would, even in its worst condition, have refused to pass any law which they might have called for officially for such purpose; and as regards Waltham, including Hainault and Epping Forests, in which, as will be seen, the necessity was most immediate, Mr. Milne admits that he has not, either as sole secretary in 1822, nor since, as commissioner, called the attention of Parliament, or even of the Board, to this subject (534 *et seq.*), and this is the more unpardonable, as Mr. Milne is fully aware (383 *et seq.*) that the old forest law "could not be maintained, and would not be tolerated at present," and that the various officers of the forests, still elected according to ancient law and usage, have not for many years attempted to perform their prescribed duties; so that, in fact, there has been, as far as the Association can discover, neither law nor government in the forests, but every man has done that which was right in his own eyes, of course to the grievous detriment of the public, without any effectual steps being taken by these well-paid commissioners to introduce a better state of things.

The evidence before the committee having reference principally to the New Forest, and to Whittlewood, Whychwood, and Waltham, or Epping forests, the Association will mainly confine themselves to bringing forward the facts therein elicited, with such comments as they naturally suggest. It is hoped, however, that the committee will be re-appointed next session, and full information obtained respecting the residue of the Crown property, not forgetting that part situate in Ireland, Scotland, and Wales, in which there is little doubt that a thorough reformation is much needed.

First. The existence of large herds of deer is universally condemned. These animals are utterly useless, except to furnish venison to the Royal table, and to a long list of official and other privileged persons (who, however, pay considerable fees for them), and are, in every respect, a mere nuisance: they destroy the young plantations, make farming impossible, demoralize the whole surrounding population, and, there is no doubt, frequently serve as a stalking-horse for timber-stealing, as in winter they are fed, in a great measure, on what is called *browse*, namely, the tops and small branches of trees. There are in Whittlewood Forest 1,700 or 1,800 deer, in Whychwood 1,500 or 1,600, and in the New Forest 3,355. Mr. William Downes, land agent, of Dedham, in Essex,

who is agent to Earl de Grey, Earl Amherst, Lord Headley, and others, states, of Whittlewood Forest (1628 *et seq.*)—"Where the trees are left uninjured by pruning, they are generally sound, thriving trees; but when they are lopped and pruned for the keep of the deer, they are nearly destroyed, and unfit for use;" "hundreds of trees (*fine oaks*), many of them 100 feet a tree, are entirely destroyed by the cutting off the branches for the deer to feed upon." "The amount of damage (done by the deer) is enormous." And again (1667)—"The keep of every buck is equal to the keep of eight or ten sheep. I do not mean that you can keep eight or ten sheep with what you can feed one buck, but you require a buck to be kept five or six years, whereas the sheep are about a year and a half before they yield a return."

Secondly: it is a popular delusion that the forests are maintained for the purpose of supplying timber to the navy; whereas, it appears that not one foot of timber has been delivered for that purpose, *at least by the commissioners*, since 1832. The Admiralty have lately been accused of not buying their timber in the cheapest market, but the Woods and Forests were too dear even for them. Why a price should have been put upon the timber at all, and the public compelled to take money out of one pocket, for the purpose of putting it into another, is not very obvious; but even if this were necessary, and if the Woods and Forests, in their anxiety to show a large revenue, desired a higher price than the Lords of the Admiralty, in their well-known and conspicuous zeal for economy, thought fit to allow, why the difference was not arranged by a simple reference to the Treasury, is a question for which the Association can discover but one answer, *viz.*, that it suited the private purposes of the officials in both departments to deal with any other parties rather than with each other—an answer involving so serious an imputation upon the integrity of the officers concerned, as only strong evidence would justify. But the following short extract from the Committee's report, confirmed by the unwilling admission of the chief commissioner, in his place in Parliament, and by various testimony before the Committee, on the one hand, and the mode of making contracts for the supply of navy timber, as described to the committee on the army, navy, and ordnance expenditure, last session, on the other,* appear to put the matter beyond all doubt or question. "The committee regret to state, that since the commencement of their sittings, and in consequence of communications which had been addressed to their chairman, irregularities in the felling, lotting, selling, and delivering of timber, have been found to prevail to a very serious extent in the New Forest. These irregularities are at present the subject of investigation by an officer sent to the forest for that especial purpose, by the Commissioners of Woods." The Association would guard themselves from being supposed to impeach the honesty of the Commissioners themselves, or of the Lords of the Admiralty—they presume that the plunder has been the work of subordinates in both departments; but they cannot too severely condemn the laxity and carelessness—perhaps *idleness* and neglect of duty would be more correct terms—which have permitted such

* See the evidence of J. Nash, Esq., and the Committee's report. This witness, a timber merchant, states distinctly that timber is bought by dealers, from the Royal Forests, and then re-sold to the dockyards, frequently with *two* profits charged upon it; yet the Admiralty and Commissioners of Woods and Forests could not agree as to price!

practices to spring up and continue, without check or correction. To show that these evils are by no means of yesterday, and were no secret to any body, except those whose duty it was to discover and prevent them, it may be sufficient to quote one or two items from the evidence of Mr. George Fletcher, timber-merchant and valuer, of Millbrook, Southampton :—" James Reed, son of William Reed, assistant deputy-surveyor in New Forest, is employed in the forest by his father at £80 per annum, but refused a situation worth £200 per annum" (2933). " William Barnes, woodman, whose wages are £39 per annum, starts his son George, a saddler's apprentice, as candidate for the office of Regarder, the pay of which, in one year, has never exceeded £24 10s. (1761), and pays upwards of £500 electioneering expenses for him" (2938, *et seq.*). The said Mr. James Reed " was very much in debt in the village where he resided, and the timber merchants that he used to favour, by allowing them to have the timber by private contract, paid his debts" (2934). " At the New Park sale, there were 750 ends (pieces) of timber as advertised, and at the sale there were not more than 570 ends—the others had gone" (3015). Much more to the same purpose might be quoted from this and other witnesses, but it is unnecessary. Meantime, the question arises, where was Colonel Thornhill, the resident deputy-surveyor, while all this " fair work" was going forward? How is it that he has been allowed to resign his office, " solely on the ground of ill health," since the appointment of Lord Duncan's committee? and has he paid a balance of £709 7s. 7d. owing by him on the 5th of January, 1847, being precisely £100 5s. less than the sum in his hands on the 5th of January, 1846?

Even if it were seriously intended to devote so much soil to the purpose of growing navy timber, the system pursued in the Royal forests would seem as if expressly contrived to prevent the supply being either regular or abundant. Passing over the waste and destruction by deer, and the heavier depredations of the officers, the conflicting rights of individuals and of the Crown, before referred to, are the cause of by far the largest portion of the forests remaining waste, producing little timber and no food, whether for man or beast, beyond the scanty herbage which grows spontaneously, and upon which the inhabitants of the neighbourhood send their horses, cattle, and (illegally) pigs to pick up a living. From a return, dated 3rd February, 1831, we learn that of 66,678 acres in New Forest, only 6,000 acres are appropriated to the growth of timber; and of 21,473 acres in Dean Forest, 11,000 acres are so appropriated, the residue being open commonable lands; " the enclosed lands to be thrown open when the trees are past danger of deer or cattle, when an equal quantity may be enclosed out of the waste, in lieu of what shall be restored to common." In Whittlewood and Whychwood Forests, containing together 8,209 acres, 2,990 acres are open commonable lands, but in these forests " the enclosed lands consist partly of coppices, which are by law thrown open to deer and cattle at the end of seven or nine years from the time when first enclosed, at which period the young trees are not past danger of deer and cattle, and are, in consequence, in a great measure destroyed." In this return of 1831, Waltham Forest is described as containing 3,278 acres, all commonable. Mr. Milne states to Lord Duncan's committee (507) that this forest is estimated to contain 12,000 acres, but " *it was never measured.*" The only portion that was mapped by the Commissioners of Land

Revenue is Hainault, about 3,000 acres, probably the above 3,278 acres. "Singular industry and intelligence," indeed! one happy result of which has been an extensive system of *encroachment*—in plain English, the appropriation of these public lands, by private individuals, to their own uses, ends, and purposes; and it is really difficult to conceive anything more deeply discreditable to the Commissioners of Woods and their legal advisers, than the passive indifference with which they have permitted this "process of bland absorption" to proceed unchecked. On all the Crown property it has prevailed, more or less; but in Waltham Forest, in which, from its vicinity to London, the land has become very valuable, and is daily improving, the encroachments are most serious. John Gardiner, Esq., one of the firm of Pemberton, Crawley, and Gardiner, solicitors to the Woods and Forests, informs us (614) that "in 1836 or 1837, the attention of the commissioners had been called to the great encroachments made upon the open wastes of Epping Forest, and general instructions were given to look into the matter and see how it stood;" and "a special report was made to the Treasury upon the encroachments in May, 1842;" and their approbation was expressed of the course recommended."—(A. Milne, Esq., 563-4-6.) In 1843, an information was actually filed against an encroacher to a considerable extent, and in May, 1848, that case, or another, was to have been tried, to settle the question: "whether the lord of a manor can make grants of portions of the waste of the forest within his manor, under which the grantees may hold their encroachments, freed and discharged of the rights of the Crown;" but after great expense being incurred, it was not tried, and "is now (15th May, 1848) ready for trial, and will, in all probability, come on in or after the ensuing Trinity Term, 1848"—(614); and sometime in June or July, this year, the case (*Regina v. Hallett*) was decided in favour of the Crown. The sort of "diligence" used in this case is tolerably evident—the Woods and Forest solicitors require eleven years to bring a case to trial, and are still employed nevertheless! The encroachments had commenced in 1831 (W. Cotton, Esq., 4792), and for five or six years no notice whatever would seem to have been taken of them by the Crown; and, of course, they have been going on very rapidly until the above decision. Nay, the Woods and Forests are stated to have consented to many of them, and even to have made some on their own account—*e. g.*, a sale of 15 acres to a Mr. Hall Dare, in 1843; and when a verderer remonstrated, and threatened to abate the encroachment, our friend Mr. Gardiner answered, "If you dare to touch any fence enclosing any land that the Crown has granted to Mr. Hall Dare, as a consideration for money paid, I will bring an action against you in the name of the Woods and Forests" (H. J. Conyers, Esq., 4876). Whereupon Mr. Conyers complained, very reasonably, "I am made a fool of; I came here to act and do my duty, and then you threaten to bring an action against me if I do my duty. What am I to do?" Which question he seems to have answered practically, like all other lords of manors in the forest, by helping himself liberally to the common land and the Queen's timber. Further, at a Forest Court, held on the 9th July, 1831, "some hundreds of encroachments were presented," "covering some hundreds of acres, and applying to some hundreds of parties." These were reported in full to "A. Milne, Esq., Office of Woods," &c., on the 30th of October, 1831: but when the next court was held, on the 2nd of June, 1832—[N.B. By

law these courts should be held every forty days]—no official communication had been received in reply to such letter” (John Cutts, Esq., 5359). Mr. Cutts explains, with charming frankness, the whole mystery of this iniquity, and his revelations as to the extent to which the encroachments have been carried on are perfectly astounding. Two copyholders, and the lord of the manor’s steward for the time being, form what is called a “Homage Court,” which Mr. Cutts contends has power to grant away any waste lands within that manor, irrespective of the rights of any party whatsoever (5365). Accordingly, when Mr. Cutts (who is the Lord Warden’s steward, and apparently his master, and not his servant), holds a court of homage in one of the manors within the forest, he “writes to Mr. Noble, the bailiff, or manager, on the spot,” and “he summons two copyholders” (who may be, and, no doubt, frequently, not to say generally, are *tenants* under Mr. Cutts’s management and influence), but without giving any public notice of his intention, or any general notice to either freeholders or copyholders; and in a court so constituted the public property is granted away, and appropriated by wholesale. “We inclose, and have inclosed, waste, time out of mind, and we have a right to inclose. I could have built upon waste so granted; indeed, I hardly know a building in the parish of Woodford and Wanstead where I could not trace the title to a grant of the waste” (5368). “There must have been hundreds of acres inclosed lately” (5446). “I can show the court rolls for the property all round the forest, and that the only title to the property is this grant of the lord of the manor, with the consent of the homage” (5451). Moreover, Mr. Cutts has cut timber on his estate at Woodford, within the precincts of the forest, and sold £1,000 worth at a time.” “Manwood says that a freeholder cannot cut his own wood; but I do not pay any respect to that, nor do I know any body who does in Waltham Forest” (5393). Of course not. Why *should* anybody, with only Mr. Milne and Messrs. Pemberton, Crawley, and Gardiner, to compel them? After having obtained a verdict against Mr. Hallett, for encroaching to the extent of 74 acres in this forest, these gentlemen let him off for £100, “but a fraction of its value” (Mr. Watts, 5467); and only in last year’s report, the Association observe that some encroachments upon the Crown property in Wales have been sold to the encroachers (officially described as “occupiers”) for little more than one-fourth of their value (24th Report, p. 4), and this is “according to the usual practice” (*ibid*); so that, if encroachments do not multiply, it is no fault of the commissioners. The natural way to preserve the property would seem to be to make encroachments cost the offenders twice as much, at least, as land honestly bought in the market, and a few such examples would go far to deter others from embarking in the speculation. But to return, for a moment, to Mr. Cutts: he is right in his law, or he is wrong, which other witnesses say he is; and, indeed, the tone of his evidence is very much that of a sharp practitioner putting on a bold front to cover a bad case; but either way the commissioners are utterly without excuse. If he is right, how is it that they have allowed the matter to sleep in Parliament since 1822, and taken no measures to adapt the law to present circumstances? If wrong, then why has the law not been enforced, and Mr. Cutts and others prevented from helping themselves to what they had no right to? It is to be observed, that Hallett’s case, before alluded to,

does not, according to Mr. Cutts, decide the point at issue after all, inasmuch as his was not a grant from a Lord of a Manor, which most of the other encroachments are; so that, it would seem, another suit must be instituted, which it is much to be desired that Messrs. Pemberton, Crawley, and Gardiner, should contrive to bring to a decision in somewhat less than eleven years, otherwise there will assuredly not be an acre of Waltham Forest left to attest the vigilant guardianship of the commissioners and their legal advisers.

Attached to each of the Forests now under consideration, is an important personage called a Lord Warden, with a nominal salary of "five pounds a-year, and no perquisites, except of venison" (A. Milne, Esq., 430). What their duties *ought* to be, the Association do not find clearly described in the evidence, and it is remarkable that not one of the four was summoned to give any account of his stewardship.

In the New Forest, the Warden is H.R.H. the Duke of Cambridge; Waltham, Lord Mornington; Whittlewood, Duke of Grafton; Whychwood, Lord Churchill; the last three being all hereditary offices, and a very curious example they furnish of the peculiar advantages which the public derives from being saddled with offices of that description. "In Hainault Forest [Mr. Milne becomes ambiguous here; Waltham Forest comprehends Epping, which is common land, subject to rights (and wrongs also, we find) of lords of manors, freeholders, &c., and Hainault, belonging to the Crown in fee simple; surely Mr. Milne cannot mean that Lord Mornington, or his steward, attempted to cut timber there?] the Warden claimed to cut timber upon the wastes of the forest, but has been stopped recently by injunction" (496); some more of the active Mr. Cutts's handiwork, no doubt! In Whychwood Forest, the late Lord Churchill, whose duties are "the preservation of the deer and game, and the Royalties," not satisfied with "£62 11s. 8d. yearly payment," "deer and game, to an unlimited extent," for his own use, "heath, firs (query, furze?) fern, bushes, and shrubs (not saplings), and timber, for certain specified repairs," set up a claim to all the timber in the forest, and put the public to an expense of £7,013 in a law suit, which was another eleven years' affair, having been instituted by the diligent Messrs. Pemberton, Crawley, and Gardiner, in April, 1834, and not brought to trial when Lord Churchill died in 1845; whereby the suit was abated, and the question is undecided to this hour. The present Lord Churchill, however, has made proposals for an amicable settlement, which may possibly save further litigation, and another of Messrs. Pemberton and Co.'s little bills. In this forest the Warden appoints all the officers, so that the commissioners have practically no control over the property which they nominally take care of. In Whittlewood Forest, the Duke of Grafton receives £37 10s. salary, has all the underwood, which is cut *every twenty-one years*, Wakefield Lodge, and the pasturage of Wakefield Lawn, consisting of 200 to 300 acres, besides venison and game, *ad libitum*; but his Grace claims all the deer as his own, while the commissioners say they belong to the Crown. The parties, fortunately, have not got to law yet, and if the deer were once killed off, possibly that catastrophe might yet be avoided. The reader will observe the discrepancy between Mr. Milne's answer No. 430 previously quoted, and his subsequent enumeration of the pay and perquisites of the Lord Wardens: it is another proof of Mr. Milne's "intimate acquaintance

with all the Crown estates." The public will now, probably, agree with the Association, that hereditary Lord Wardens should be placed in the same schedule with hereditary Grand Falconers and hereditary pensioners, and abolished forthwith; in fact, the office is a useless sinecure altogether, and very injurious to the property, by creating a divided authority, with opposing interests, in the Forests.

The revenue derived from the forests is precisely what might be expected, and is of itself a sufficient evidence of the kind of management which has afflicted these fine estates so long. In New Forest the income in six years—1835-6 to 1840-1—was £59,543, and the expenditure in the same period £54,824; in six years—1841-2 to 1846-7—the income had fallen to £53,296, and the expenditure had risen to £66,472, showing an actual loss by the property of about £2,220 yearly; in 1804, the total expenditure was £3,152, and the income £7,069; in 1847 the expenditure was £10,237, and the income £6,971! Even the New Park Farm, on which no rent is charged, is carried on to a loss; and Mr. Milne's attempt to explain this state of things will not have much weight with any one who has read the evidence, or even the foregoing short extracts. The total income from all the forests, for the year ended 5th January, 1847, is stated in a return dated 17th March, 1848, to have been £44,245, and the expenditure £35,839; credit being taken for large sales of timber and bark, or equal to about £8,400 per annum. Mr. Downes says of Whittlewood Forest, the net income from which, last year, was £1 3s. 0¼d., that "in a pecuniary sense, nothing can be worse than the management" (1592). "Whittlewood Forest is at present paying literally nothing, and I should be very glad to give £5,000 a-year for it," and be at the cost of enclosing and cultivating it; or, "allowing me three and a half per cent. upon the value of the timber, I would give from £18,000 to £20,000 a-year" (1669 to 1671). Whychwood Forest produced last year £123 1s. 7d.; Mr. Downes values it at £4,625 a-year, besides £280,000 to £300,000 worth of timber (1643 and 1653). New Forest lost the country last year £3,266; Mr. Downes estimates the land of the forest "in its present state" to be worth £21,392, after allowing for rights of commonage, feeding, &c. The timber and plantations he values at £942,000, equal, at three and a half per cent., to £32,970 per annum (3318 *et seq.*). Waltham Forest produced, last year, £352 7s. 6d.; but, unfortunately, the evidence does not contain any estimate of its real value.

In short, the inquiry, so far as it has yet proceeded, discovers every conceivable fault of management, without one single visible merit; and perhaps the most offensive part of the exhibition is the self-satisfied tone of the various officials, not one of whom appears to imagine that anything can possibly be wrong in himself or his department. All past experience proving so abundantly the inevitable tendency to negligence, jobbing, and corruption in the management of the national estates, the Association are necessarily led to conclude, that the sooner the temptation is withdrawn and this department closed for ever, the better. They would recommend the immediate destruction of the deer, and the passing of a short compulsory Act of Parliament for the settling of the various conflicting rights in the forests, and immediately thereafter the sale, by public auction, in lots to suit purchasers, and the smaller the better, either on lease or in perpetuity, as may, on mature deliberation, appear most advisable, of all the land in the forests. The timber should go at the same time: if wanted

for the navy, suitable wood can always be had. The proceeds should be applied to the reduction of the debt. By this means profitable employment would be found for large numbers of farmers and labourers, to the great improvement of the respective neighbourhoods, and these now barren wastes would cease to be a national reproach.

Turning to the general account for the year ended 5th January, 1847,* the Association observe, that the gross ordinary income, exclusive of the Forests, Parks, and Gardens, but including the Irish and Scotch, &c., estates, is £278,868 16s. 7d.; a considerable sum, suggesting the interesting question whether it is at all nearer to the real value of the property than the Forest revenue. This point should be strictly investigated. The charge for the collection and management of the above, including, apparently, all the expenses of the offices in London, Dublin, and Edinburgh, except £6,808 charged against public works and buildings, is £45,003 11s. 7d.; but this is exclusive of £40,704 16s. 6d. for rates and taxes, rents, repairs, compensations upon the abolition or regulation of offices, superannuation and retired allowances, engrossing conveyances and Crown leases, all which are lumped together with miscellaneous payments, and amount to that sum. It is also exclusive of £13,274 6s. 3d. for ancient stipends and annual payments to schools, churches, chapels, and other foundations, including payments charged on the land revenue, by Act of 3 and 4 William IV., c. 86; so that about five per cent. of this revenue is devoted to the support of the Established Church. And the Association have to observe, that wherever a piece of land has been granted for building schools, as far as they have been able to discover, it is restricted to the use of the predominant sect, which cannot be considered a fair or impartial application of national property. The expenditure upon the Royal parks and Gardens, the parks in London, the Phoenix-park, Dublin, and the Curragh of Kildare, is £61,318 11s. 2d., less £8,568 6s. 4d. received from those sources—evidently a monstrous waste.

The Association do not understand upon what principle the empire at large is to be taxed to provide places of recreation for the inhabitants of London, or to effect local improvements in the wealthiest city in the world. In Manchester, Liverpool, and elsewhere, local improvements are carried out by local means; but, in these accounts, the Association find upwards of £113,000 expended in the formation of Victoria Park, London; £934,000 for improvements under 3rd and 4th Victoria, and £1,202,000 under 7th Geo. IV., altogether about two millions and a quarter, exclusive of the New Houses of Parliament, and other public buildings, which, being for national purposes, are properly defrayed by the national exchequer. It is true that the last-named sum has been nearly recovered by the re-sale of the property purchased, and, perhaps, the second may be; but the Association consider it unsafe and improper for the Government to undertake such works, and is of opinion that they ought, in all such cases, to be left to the inhabitants and local authorities. The outlay for improving Dublin has been very heavy, and a considerable amount of public money has also been expended in Edinburgh.

The Association are fully sensible that details such as those contained in this article, however important in themselves, are infinitely less so than

* The accounts and report to 5th January, 1848, are not yet published!—January, 1849.

the great question of the system of national taxation, to which they propose to devote their principal attention at an early day; they conceive, however, that, by exposing the prodigality and corruption so rank in every department of the expenditure, they are, while demonstrating both the necessity for large retrenchments, and their practicability, gradually, but surely, preparing the public mind for that entire change from indirect to direct taxation which they advocate, and would most earnestly recommend. A system which can generate such wicked extravagance in the administrators of the public purse—which can make its “appointed guardians” partners and abettors of the crime, and lull the very tax-payers themselves into a state of such amazing carelessness and indifference, as has too generally prevailed upon this subject for many years past, “is not, and it cannot come to good.” It stands condemned by its evil fruits, and must suggest to every reflecting mind the question—Whether to levy every man’s contribution to the national expenditure *directly*, assessing it fairly in proportion to the amount and nature of his resources, would not prove at once the most effectual check to the idle profusion of the representatives, and a much needed spur to the vigilance of the electors?

Since the above was in type, we are indebted to the Editor of the *Morning Post* for the following extracts from a pamphlet of Arthur Young’s, published nearly sixty years ago, which we are glad to insert, as showing how clearly the existing state of things was foreseen by that eminent man, and that our opinion of the necessity to sell the Forests is fully borne out by his. The *Post* says:—

“The error which was committed at the commencement of the system was very forcibly pointed out by that acute observer and admirable writer, Arthur Young, in his ‘Observations upon the Bill for the Increase and Preservation of Timber within the New Forest.’ Nearly sixty years ago he proclaimed that the scheme was nothing but jobbery, and that this great tract of land would be ‘kept waste, and subject to no common rights, in order that browse, and pollards, and fuel, and heath, and inspectors, and overseers, may be found a hundred years hence—in a word, everything but what will be looked for.’ At the end of sixty years we find that it is just as he predicted. Mr. Fleming is not the only man who could see into future public events. Young also is among the prophets.

“He insisted that Ministers who set on foot the Woods and Forests establishment had in view a very different crop from that of timber:—

“‘The Ministers who bring in this Bill are not fools: they know mankind better—they know themselves better—they do not bring it forward therefore for oak, and would laugh at the infantine credulity that gave credit to such a profession: the crop they look for is of a different nature and growth—inspection—control—commission—view—examination—and, by consequence, officers and appointments in plenty.’”

“After giving the particulars of the Bill upon which Government had determined, he thus proceeds:—

“‘Such are the first practical fruits of a commission which has sat for many years at a great expense to the public, and from which some persons were weak enough to expect the sale and cultivation of the Royal forests and chases!

“‘It is not easy to find proper terms for characterising the proposition in the manner it merits: the English language would fail one in the search of epithets sufficient for the condemnation of a plan which has not one single feature of common sense to recommend it.

“‘There are but two principles on which a Royal forest can be converted to national use. First, by the absolute sale and alienation, and consequent trust in the private interest of individuals for producing whatever crops are wanted, whether wheat or oak. Second, by retaining them in the hands of the Crown, and trusting to officers and to officers’ deputies for the cultivation.

“‘The first is the only effective and *honest* proceeding; it insures to the public the cultivation of the waste tract; it saves all the roguery, expense, and patronage of officers for doing what centuries of experience tells us they never will do, and which never can be done but by individuals acting for themselves.

“‘This Bill prefers the second method, and the great care it takes in naming a crowd of officers, overseers, and controllers, points out too clearly for any one to mistake the aim; it is too gross to be mistaken—THE WHOLE WOULD BE A JOB.’”

“He then shows very clearly why all such attempts to grow oak must be unsuccessful, except in producing rich opportunities to endow useless commissionerships, and to keep up expensive establishments. He says:—

“‘The pretence is the future supply of navy timber. Let us inquire whether the provisions are really adapted to that end, or whether patronage, appointment, and control, be not the objects really in view

I believe it may be received as a maxim, that to raise oak in quantities, in a country in a high state of culture and civilisation, is an absolute impossibility. Price will not allow it. The Government of any country will always be able to buy timber from badly cultivated countries at a far cheaper rate than individuals in a cultivated one can afford to sell it. Price in one country regulates price in another. In such a state of things, to push the growth of oak is to promote the culture of a bad crop instead of a good one, which is a gross absurdity. Oak in quantities can never be found but in forests of great extent, and where wolves or bears, or other wild beasts, restrain very much the increase, and keeping of cattle and deer, which are the great enemies of trees. When oaks sow themselves in such forests, and rise thick and unheeded, one master tree will be nursed up by several surrounding bad ones, and all protected by impervious thickets of bushes, &c., especially black thorn, in such a climate as England; and it is age, and not a rapid cultivated growth, that makes the valuable timber; it is what no one will allow in a cultivated country, and will be found only where men do not regard timber, because worth less than the carriage to remove it.

“There is one possible way of forcing oak, which is by imitating nature: a howling desert, where scarcely the footstep of man appears, is the nursery of an oak: form such a desert, and you are sure to have oak. How is this to be done? By one possible method only—by walling in the given tract of land as soon as acorns are sown, and leaving neither gateway, stile, entrance, nor footpath; and prohibiting, under severe penalties, any person to enter. Let there be inspection or examination, and there must be officers and their deputies to inspect; you have then salaries and public expense; you will be sure to have everything except oak.”

FINANCIAL REFORM.

The Financial Reform Association was instituted in Liverpool, on the 20th of April, 1848, for the following

OBJECTS.

1st. To use all lawful and constitutional means of inducing the most rigid economy in the expenditure of the Government, consistent with due efficiency in the several departments in the public service.

2nd. To advocate the adoption of a simple and equitable system of direct taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensive-collected duties upon commodities.

Political partisanship is distinctly disowned, the Association being composed of men of all political parties.

TERMS OF MEMBERSHIP.—Five Shillings per annum for the year ending 19th April, 1849. A Subscription of Ten Shillings and upwards will entitle Members to receive all the publications of the Association free by post.

The publications issued up to January 26th, 1849, are—Reports of the Public Meetings of the Association, and Tracts Nos. 1, 2, 3, 4, 5, 6, 7, and 8.

No. I. treats of the CIVIL LIST.

No. II. treats of the PENSION LIST.

No. III. of TAXATION: its Amount and Sources; its Effect on the Physical Condition of the People; and on the Trade of the Country.

No. IV. on the ARMY EXPENDITURE.

No. V. on the ARMY, ORDNANCE, COMMISSARIAT, NAVY, and COLONIAL EXPENDITURE.

No. VI. Mr. COBDEN'S BUDGET and REPORT of MEETING.

No. VII. ARMY CLOTHING—Sir W. NAPIER and the ASSOCIATION.

No. VIII. the WOODS, FORESTS, and ESTATES of the CROWN.

Post-office orders to be made payable to EDWARD BRODRIBB, Esq., Treasurer of the Association, Harrington Chambers, North John-street. Subscriptions are also received by Mr. EFFINGHAM WILSON, Royal Exchange, London.

FINANCIAL REFORM ASSOCIATION,

Harrington Chambers, North John-street, Liverpool, January, 1849.

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[SECOND EDITION.]

FINANCIAL REFORM TRACTS.

No. 9.

THE DEAD WEIGHT OF THE ARMY.

In 1821, a period of distress, reductions were made; but in 1824, a time of prosperity, we got back to our old extravagance. So, in 1829, there has been a falling off of the revenue, and that has compelled reductions of which we should not otherwise have heard. I am a little sceptical on the subject of some of the reductions talked of. The Noble Duke (Wellington) has said that his plan was, that when an office became vacant, to put in a pensioner to save the pension to the country. But it would seem as if the Noble Duke's plan was, first of all, to make officers, in order, afterwards, to make them pensioners; and then, finding them pensioners, to make them officers again, as a saving to the public.—*Speech of Lord King on the State of the Country. Feb. 1830.*

SECTION X.

THE HOME STAFF.

HAVING shown how the irregular nature of the business of the Ordnance swells the mere office expenses, for salaries, postage, stationery, &c., to £91,136, the Association proceeds, in this section, to show that in the Army-office, and in the staff of the Home Department, enormous office expenses are incurred to repeat, in part, the duty paid for by the Ordnance-office.

But, first, it is necessary to state that Britain is divided into the following districts and sub-districts for military purposes.

The FIRST CHIEF DISTRICT is the NORTHERN and MIDLAND, with head-quarters at Manchester; Lieutenant-General Sir Thomas Arbuthnot commanding; with Lieutenant Fane, of the 54th Foot, and Lord Burghersh, son of the Earl of Westmoreland, a captain of the 17th Foot (both absent from their regiments, but drawing regimental pay), as his aids-de-camp; with Colonel H. W. Barnard, of the Grenadier Guards, absent from that regiment, acting as assistant adjutant-general, receiving regimental pay and the pay and allowance of that office; and Colonel Yorke, receiving double pay as an assistant-quartermaster-general.

The sub-districts of the Northern and Midland Counties are, first, the north-west counties, the head-quarters of which is at Chester, where Major-General Sir William Warre commands, and reports all his business, through a staff of clerks, to Sir Thomas Arbuthnot, at Manchester, who, by his staff of clerks, reports from Chester to the head-quarters of the army in London; where, it may be observed in passing, the postages alone amount to more than £30,000 per annum. The officers at head-quarters send answers or orders, by their secretaries and expensive complication of clerks, to Chester, by way of Manchester, where, in defiance of railway convenience, and the progress of the age, the answers or orders must be delayed to be copied by the staff there, then sent on to Chester to be copied, and issued, after more delay and copying, to regimental quarters. The counties, or parts of counties, which thus receive their military orders from London through Manchester, and from Manchester through Chester, are Lancashire, Cheshire, Shropshire, Flintshire, Denbighshire, and the Isle of Man; a roundabout way this of communicating orders from London to Shrewsbury.

To transact this round-about business at Chester, Captain Warre, of the 57th Foot, is taken from his regiment, his regimental pay following him, and is put upon staff and pay allowance as an aid-de-camp. Also, Captain Gordon, of the 91st Foot, is taken from his regiment in like manner, to be brigade-major.

The second sub-district of the Midlands is formed of the shires of Northumberland, Cumberland, Durham, Westmoreland, York, Derby, Nottingham, and Rutland; the head-quarters of which are at York, Major-General Thorn commanding; Lieutenant Kennedy, of the 36th Foot, aid-de-camp; and Captain Wynyard, major of brigade. In this district there are all the same expenses and delays in communicating with London, through the superior officer at Manchester, that occur in the first sub-district. In vain the railways accelerate the carriage of travellers and letters from London to Nottingham, or Derby, or York. The multitude of military officers for whom there is no legitimate employment must be provided for; younger sons, disinherited by primogeniture, must be provided for; the connections of corrupt politicians must be provided for; and this is part of the provision that a "refuge for the destitute" shall be formed at Manchester, under a lieutenant-general, and another at York, under a major-general; and that all reports from regiments at Nottingham, or Derby, to London, shall go to York to employ a staff of tax-paid officials there; who send them to Manchester to employ the officials there; who at last send the correspondence to London.

The third sub-district comprises the counties of Warwick, Stafford, Northampton, and Worcester, the head-quarters of which are at Birmingham, Colonel Arbuthnot commanding; Captain Mein, of the 13th Foot, absent from his regiment, major of brigade. And here, again, at the

distance of four hours from London, reports must be sent to be declared and copied at Manchester before they take that short journey of four hours to London direct.

The **SECOND CHIEF DISTRICT** of England is the **SOUTH-WEST**, comprising the counties of Wilts, Dorset, and Hants, the head-quarters of which are at Portsmouth, Major-General Lord Frederick Fitzclarence commanding; Major Harvey, 87th Foot, absent from his regiment, acting as aid-de-camp; Captain J. H. Purves, as major of brigade. In this "refuge for the destitute" there are all the usual tax-paid chiefs and assistants.

The **THIRD CHIEF DISTRICT** of England is the **WESTERN**, comprising the counties of Devon, Cornwall, and Somerset (exclusive of Bristol and its vicinity, which sends its reports direct to London and receives them direct). The head-quarters of this district are at Devonport, Major-General the Honourable H. Murray commanding; Captain Prothero, of the 14th Foot, with double pay, acting as aid-de-camp; Captain T. Nelson, of the 40th Foot, with double pay, major of brigade; with all the usual staff of tax-paid assistants.

As a sub-district, subject to the foregoing, there are the counties of Monmouth, and part of Wales; head-quarters at Carmarthen, Colonel Lowe commanding; Major Parkinson, unattached, aid-de-camp; Captain Mann, of the 90th Foot, both with double pay and allowances, major of brigade; with all the usual staff to report to Devonport, and so to London.

The next district is Jersey; Major-General Sir J. H. Reynett commander and governor, with pay and allowance in his three-fold capacity.

The next district is Guernsey and Alderney; Major-General John Bell commander and governor, with similar pay and allowances according to his rank and his two offices; Lieutenant-Colonel Le Mesurier, town-major, with two-fold pay.

There is next a district for the inspection of cavalry, called the District of London, at the head of which is Major-General Brotherton, with Lieut. Bourke, of the 75th Foot, for his aid-de-camp, and Lord De Ros, a colonel on half-pay, acting as major of brigade (the nature of whose duties no soldier can even guess at), receiving the half-pay with one hand, the full pay of brigade-major with the other hand; which, having put into his pockets, he, whose dignity in the peerage is six hundred and fourteen years old, holds out both his hands for "forage;" which having received, he holds out another hand for "lodging-money;" and then both hands for "postage and stationery;" and after that, opens his pocket for "travelling expenses;" and lastly, for "salary for a clerk," to do such duty as, by any contrivance, can be attached to the office. The young De Roses are also, by their political connections, the Dukes of Richmond, Leinster, Rutland, &c., perching themselves, or are perched upon, military positions, where they can pick up something to live upon.

The next district is that of North Britain; Major-General Riddell commanding; Captain Riddell, Royal Artillery, aid-de-camp; Colonel John Eden, assistant adjutant-general; Lieut. John O'Neill, staff adjutant; each receiving pay according to army rank, and staff pay according to staff rank; the first drawing pay for the sinecure office of Governor of Edinburgh Castle (which costs £864 for its government, charged upon the Ordnance Estimates, besides General Riddell's pay as governor, charged upon the Army Estimates). The Governor's charges are, in addition to his army pay, staff pay, and Castle pay, £138 13s. 2d. for forage; £200 for lodging-money; £2 10s. 3d. for stationery; £105 13s. 6d. for travelling expenses; and £1 1s. for miscellaneous expenses. His relative, the aid-de-camp, draws artillery pay as captain, additional artillery pay because he is employed, and staff pay because he is not employed with the artillery; and then £70 1s. 2d. for "forage," as a staff officer, and £46 13s. for "lodging-money." The items are not, individually, heavy, but they are repeated throughout the kingdom and the colonies until they amount to millions sterling.

The counties, or parts of counties, of England not included in military districts, are Bedford, Berkshire, Brecon, Bristol and its vicinity, Buckingham, Cambridge, Essex, Glamorgan, Gloucester, Hereford, Huntingdon, Leicester, Monmouth, Norfolk, Oxford, Suffolk, Surrey, Sussex, South Wales, and North Wales, except Denbigh and Flint.

It is clear that if those counties can be commanded from head-quarters in London, the others might be so commanded, and the staff expenses saved. For any purpose of real service, when troops are called upon to act as an armed police, the actual commanders are the civil magistrates and the regimental officers. But with forces of county and borough constabulary, such as are now established throughout the kingdom, it can no longer be urged, as heretofore it was urged, that the garrisons and regiments serving at home are required as an armed police. It was one of the arguments used to reconcile the rate-payers in boroughs and counties to an increase of local taxation to maintain an augmented police force, that fewer soldiers would be necessary, and the national taxes would thereby be reduced in amount. This is not the result. Although the counties, boroughs, and cities have their formidable police forces, and though railways facilitate the movement of troops, rendering one regiment as effective as many regiments were before, when infantry, by forced marches, could not exceed thirty miles a-day, the garrisons and home service troops are not reduced in number; on the contrary, they are augmented.

It may be urged that the regiments retained at home are so retained for exchanging reliefs with regiments abroad; that our colonial dependencies require long terms of military service from the regiments of the line; and that the forces at home are requisite to relieve those forces abroad.

This has been urged. But what is the fact? The most expensive of the regiments on home service do not take their turn in relieving the regiments abroad. If they did, the period of home service might be as favourable as it is, and the troops at home be reduced one-half. A reference to the *Army Register* shows that the regiments which do not take their turn of foreign service are almost exclusively officered by connexions of the aristocracy and Members of Parliament, the only exceptions being in the class of officers who have positive hard work to perform—the lieutenant-colonels commanding, the adjutants, and quartermasters—though they are not, in all cases, exceptions.

SECTION XI.

THE WAR-OFFICE CLERKS RETIRED FROM SERVICE.

The last section must have prepared the reader of this for a statement of excessive expenditure in the department of War-office clerks. But nothing in the last, nor in any previous section—nothing within the range of common reading, or of ordinary imaginations, would lead the reader to expect that expensive sets of clerks and other officers are paid handsome salaries for doing nothing at all. They are paid for having had the official goodness to retire from office to receive their salaries without working, that other clerks might be appointed to receive salaries and perform the work in their places.

The system, so far as it can be discovered through the mystified public accounts, seems to be this:—When one set of political principles, or one Parliamentary faction prevails over another, and a change of Ministry ensues, the Secretary-at-War, the Paymaster of the Forces, and other chiefs of departments in the war establishments, are changed also.

The new comers have a debt of gratitude to discharge to those who placed them in their new places. Means are used to make a number of clerks retire, by which vacancies are created, by which new appointments can be made, by which Ministerial favours can be conferred, and gratitude earned for gratitude discharged. But this must be done so as to make it appear in the estimates laid before Parliament that a saving has been effected. To manage this, certain offices are abolished, the occupants of places in those offices retiring on full pay, and certain new offices are created, to which a staff of fresh men, with a few old ones to act upon them as leaven, to infuse the spirit of the old office, are appointed; or, as is more frequently the case, a graduated scale of salaries is made out, varying, it may be, from £200 to £600 a-year, according to length of service. A clerk rises by degrees from £200 to £350. To save the public money, so it is alleged, when vacancies are required for the exigencies of Ministerial supporters, the clerk who has reached £350, and

who in time might arrive at £600, is induced to retire on the reduced pay of £250, in favour of a fresh man at £250. Those two sums of £250 being put together, shows £500, as now paid, against £600, which, they say, would have ultimately been the old clerk's salary. This juggle, there is too much reason to fear, has deceived even some of the Parliamentary economists. It must not deceive them longer. The Financial Reform Association pledge themselves to the country, that neither this juggle nor any other part of the corrupt system shall continue to be a deception to the public without exposure.

As preliminary to a statement of the expense of the retired officers and clerks at head-quarters, the expense of those employed, or nominally employed, may be repeated:—

COMMANDER-IN-CHIEF'S OFFICE	£17,102	15	3
ADJUTANT-GENERAL'S OFFICE:—			
Salaries of Clerks, &c.	£3,865	18	8
Postage of letters	6,666	15	8
Forage, and travelling expenses	672	16	1
The pay of Adjutant-General and assistants	3,242	1	3
			<u>£14,447 11 8</u>
QUARTERMASTER-GENERAL'S OFFICE	£7,062	13	5
SECRETARY-AT-WAR'S OFFICE:—			
Salary of Secretary-at-War, his deputy, his clerks, and contingencies	£33,655	3	5
From which deduct	500	0	0
(which is defrayed by the Admiralty.)			
	£33,155	3	5
Add postage of letters	20,052	10	2
Total for the office of Secretary-at-War	£53,207	13	7
JUDGE-ADVOCATE-GENERAL'S OFFICE	£4,770	3	1
Total for the Staff Department at head-quarters.....	£96,590	17	0

Such is the bill of expenses for those employed, or nominally employed, in the offices where much of the actual duty done is only a repetition of the duties of the Ordnance, the Commissariat, the Colonial, and other offices.

THE AMOUNTS PAID TO OFFICERS AND CLERKS WHO HAVE BEEN DISPLACED TO MAKE WAY FOR FAVOURITES OF NEWER MINISTERS ARE AS FOLLOW:—

RETIRED ALLOWANCES.

1 Assistant Military Secretary	£733	6	8	sion of £800 from the office of Secretary of State for Foreign Affairs, which Mr. Francis Moore has voluntarily relinquished to the service of the public £1,000 0 0 And to repay income-tax paid on the sum which he has relinquished 29 3 4 Mr. Francis Moore has still £1,000 a-year, and though he has more merit for generosity than any one else in this list, he is handsomely paid for having been kind enough to his superiors to resign office in favour of one
1 Principal Clerk	666	0	0	
1 Superintendent of Accounts.	666	13	4	
1 Private Secretary to the Secretary at War	150	0	0	
1 Clerk	516	13	4	
1 Ditto	375	0	0	
1 Ditto	300	0	0	
1 Ditto	230	0	0	
1 Ditto	225	0	0	
2 Ditto at £200 each	400	0	0	
1 Ditto	180	0	0	
1 Ditto	125	6	0	
1 Ditto in Civil employ	120	0	0	
1 Messenger	72	0	0	
1 Deputy Secretary-at-War ...	2,500	0	0	
1 Ditto £1,800, including a pen-				

of their friends. £1,000 a-year to live upon, and do nothing, is liberal pay in a country where the producers of wealth are struggling for a bare existence, or are grappling with bankruptcy from morning to night, to keep it out of their houses; meeting the tax-gatherer at every turn — that tax-gatherer helping to overthrow them in the unequal struggle. This system cannot continue!

1 Chief Examiner of Accounts	£1,000	0	0
1 Clerk	533	6	8
1 Ditto	486	0	0
1 Ditto	466	0	0
2 Ditto at £450 each	900	0	0
1 Ditto	375	0	0
1 Ditto	350	0	0
2 Ditto at £300 each	600	0	0
1 Ditto	270	0	0
1 Ditto	253	0	0
1 Ditto	224	0	0
1 Ditto	212	0	0
4 Ditto at £200 each	800	0	0
1 Ditto	182	0	0
1 Ditto	180	0	0
3 Ditto at £175 each	525	0	0
1 Ditto	160	0	0
1 Ditto	155	0	0
1 Ditto	152	10	0
5 Ditto at £150 each	750	0	0
1 Ditto	145	0	0
1 Ditto	135	0	0
1 Ditto	130	0	0
2 Ditto at £125 each	250	0	0
1 Ditto	80	0	0
2 Ditto at £75 each	150	0	0
1 Ditto	56	0	0
1 Ditto	40	0	0
3 Messengers—one at £66, one at £40, and one at £30.	136	0	0
DEPARTMENT OF FOREIGN ACCOUNTS.			
1 First or Chief Clerk	725	0	0
1 Clerk	135	0	0
1 Ditto	105	0	0
ADJUTANT-GENERAL'S OFFICE.			
1 Clerk	100	0	0
1 Ditto	55	0	0
1 Ditto	28	0	0
1 Ditto	92	0	0
ADJUTANT-GENERAL'S DEPARTMENT IN NORTH BRITAIN.			
1 Clerk	36	0	0
1 Messenger, at 1s. per day	18	0	0
ARMY MEDICAL DEPARTMENT.			
1 Principal Inspector	600	0	0
1 Clerk	262	10	0
1 Ditto	125	0	0
1 Ditto, at 4s. 6d. per day	82	2	6

LATE ARMY PAY-OFFICE.

1 Accountant	£1,000	0	0
1 Cashier retired on full pay	350	0	0
1 Clerk	400	0	0
1 Ditto	375	0	0
1 Ditto	300	0	0
1 Ditto	221	0	0
1 Ditto	130	0	0
1 Extra Clerk	82	0	0
1 Ditto	68	0	0
1 Ditto	60	0	0
4 Deputy Paymasters-General, at 15s. a day each	1,095	0	0
2 Ditto at 10s. each	365	0	0
1 Ditto at 7s. 6d.	136	17	6
6 Ditto at 5s.	547	10	0

OFFICE OF MILITARY BOARDS.

1 Assistant-Secretary	125	0	0
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LATE MUSTER-MASTER-GENERAL'S DEPARTMENT.

1 Deputy-Master	000	0	0
Master-General, at £1 1s. 9d. each day	396	18	0
1 Clerk	99	0	0

LATE COMPTROLLER OF ARMY ACCOUNTS.

1 Comptroller	1,000	0	0
1 Secretary	530	0	0
1 Ditto	290	0	0
1 Clerk	120	0	0
1 Ditto	80	0	0
1 Ditto	50	0	0

LATE AGENT-GENERAL'S DEPARTMENT.

1 Agent-General	350	0	0
1 Deputy Agent-General	350	0	0
1 Clerk	110	0	0
1 Ditto	100	0	0
2 Ditto, each at £90 a year	180	0	0
1 Ditto	85	0	0
1 Ditto	50	0	0

RETIRED OFFICERS.

CHELSEA HOSPITAL.

1 Physician and Surgeon	250	0	0
1 Deputy-Surgeon	94	10	0
1 Clerk	50	0	0
1 Ditto	42	0	0
1 Apothecary	210	0	0
1 Clerk	360	0	0
1 Ditto	130	0	0
1 Ditto	115	0	0
3 Ditto at £110 a-year each	330	0	0
1 Ditto	105	0	0
1 Ditto	94	0	0
1 Ditto	85	0	0
1 Ditto	84	0	0
3 Ditto at £80 a-year each	240	0	0
1 Ditto	75	0	0
1 Ditto	74	0	0
1 Ditto	72	0	0
3 Ditto at £70 a-year each	210	0	0
1 Ditto	65	0	0
2 Ditto at £57 a-year each	114	0	0

2 Clerks at £55 a-year each ..	£110	0	0	and other servants in Great			
1 Ditto	54	0	0	Britain	£35,695	11	0
3 Ditto at £50 each.....	150	0	0	To which add similar			
1 Ditto	48	0	0	retired salaries in Ire-			
1 Ditto	46	0	0	land :—			
2 Ditto at £45 each.....	90	0	0	1 Clerk, Chief Secretary's-office	418	9	4
1 Ditto	40	0	0	1 Ditto, office of Military Ac-			
1 Ditto	39	12	0	counts	69	4	8
1 Ditto	36	0	0	1 Surgeon-General	150	0	0
1 Inspector of Pensioners, Ha-				1 Assistant-Secretary of Lieut-			
nover.....	121	0	0	General Commanding	276	18	8
ROYAL MILITARY COLLEGE.				1 Messenger to Ditto	16	17	0
1 Inspector-General	500	0	0	1 Clerk	98	0	9
1 Captain of Cadets, at 7s. 1d.				1 Daughter of the late Deputy			
a-day.....	129	5	5	Paymaster of Kilmainham	100	0	0
1 Professor of Fortifications ..	220	0	0	1 Provadore, Kilmainham....	203	1	8
1 Ditto of Classics	182	10	0	1 Clerk to Paymaster, Ditto..	30	9	4
1 Instructor of Arithmetic....	109	0	0	1 Ditto to the Registrar.....	42	0	0
1 Ditto of Landscape Drawing	230	0	0	3 Nurses.....	27	0	0
1 Ditto of Fortifications.....	135	0	0	1 Brigade Major, Yeomanry			
1 Master of Military Drawing	68	0	0	Department.....	168	9	4
1 Master of Fortifications	113	0	0	2 Ditto	393	1	4
1 Professor of Mathematics...	330	0	0	1 Ditto	112	6	2
1 Clerk	50	0	0	1 Paymaster and Agent of Wi-			
1 Housekeeper	43	0	0	dows' Pensions	498	9	4
1 Cook	23	0	0	2 Agents of half-pay	563	17	4
1 Sempstress.....	25	0	0	Other servants	194	9	9
1 Ditto	28	0	0				
1 Sergeant-Major.....	52	0	0	Total for Great Britain and			
1 Nurse	20	0	0	Ireland.....	£39,048	4	11
1 Ditto	20	0	0	Deduct probable saving for this			
1 Matron	70	0	0	year by deaths	815	19	4
1 Housekeeper	47	0	0				
1 Hospital-Sergeant	12	0	0				
1 Pioneer Corporal	14	0	0				
1 Reading Mistress.....	16	0	0				
1 Ditto	20	0	0	Deduct sums contributed by the			
1 Hospital Nurse	12	0	0	various new appointments of			
1 Ditto	8	0	0	clerks to the foregoing offices	732	5	7
1 Sergeant-Porter	34	9	0				
1 Miscellaneous	359	7	6	And there remains to be paid			
				by the public for retired clerks			
				and servants in the army			
				civil service, from 1st April,			
				1848, to 31st March, 1849,	£37,500	0	0
Total for retired pay to clerks							
in the army, civil service,							

The foregoing are only a part, and a small one, of the retired allowances to the whole War establishment. But, as one branch of expenditure—the retired pay of the civil service branch of the army (the ordnance, navy, &c., being still in reserve, as also the retired pay to the military branches of the army),—they afford evidence of unjust government practices, which no candid reader can fail to understand. The *bona fide* superannuations to aged servants are exceptions; but these, in the foregoing list, are few. That list is one of prices paid and received for Parliamentary support.

SECTION XII.

THE RETIRED OFFICERS OF THE ARMY.

The last section contained the particulars of emoluments known as “retired pay,” or “superannuations,” drawn by the clerks and other civil

servants of the army, who have vacated their offices to make way for new sets of clerks appointed by new sets of Cabinet Ministers. The sum to be paid in the current year, out of the taxes, to those favourites of political fortune, is £37,500.

The present section embraces other sums of retired pay and allowances in the Army department of the War establishments, in four classes.

First class. For the pay of general officers not performing any duty, and not holding the clothing and horse-dealing offices as head colonels of regiments—their pay, according to the particulars given below, £76,000.

Second Class. For full pay to officers who have been induced to retire from the army, and waive their claims to future promotion, to make room for other officers—their pay, distributed according to the particulars given below, £57,000.

Third Class. Allowances and rewards to officers and others for distinguished services, and for appointments in garrisons to which no military duty attaches, but which have been conferred on officers as rewards, in addition to retired full pay, or half-pay, distributed according to the particulars stated below, £15,507.

Fourth Class. For pay and allowances to commissioned and non-commissioned officers appointed to volunteer corps, and for contingent allowances to those volunteer corps, including the expenses of field-officers of the army who may be appointed to inspect those corps; and for the pay and other expenses of clerks to the Lord-lieutenants of counties, occasioned by those corps of volunteers (but not including the cost of their arms, accoutrements, and ammunition, which is charged to the account of Ordnance stores), £80,308 10s.

There is no official statement of particulars of this sum yet attainable, as several of those volunteer corps have only been formed during the present year; and others, like that of Sir John Gerard, called the “Lancashire Hussars,” are only in process of formation.

Referring back to the particulars of the first class, we find them to be as follow:—

	PER ANNUM.
10 Unemployed Generals, at £1 12s. 6d. per day	£5,931 5 0
16 Unemployed Generals, at £1 5s. per day	7,300 0 0
25 Unemployed Lieutenant-Generals, at £1 5s. per day	11,406 5 0
69 Unemployed Major-Generals, at £1 5s. per day	31,481 5 0
And, “For an additional allowance to such of the above general officers as were reduced in 1814 from commissions in the Foot Guards as Field officers and Captains, to complete their pay to the following rates” (being curious specimens of retrenchment), one unemployed General (formerly third Major in the Guards), his pay being £700 per annum, and the ordinary pay £456 5s., the difference to place him in the same position as if he had obtained all his promotion in the Foot Guards, is	243 15 0
2 Unemployed Generals (formerly Captains of companies in the Foot Guards), to make their pay of £456 5s. each up to £500 each	175 0 0

For the charge of general officers removed from their regimental commissions in the Foot Guards in 1821, 1825, 1830, 1841, and 1846, and who receive pay according to the rank

they now hold, as if they had continued in the Guards, and received their promotion there:—

3 Unemployed Lieutenant-Generals, one at £900 per annum, one at £550, and one at £500	£1,950	0	0
2 Unemployed Major-Generals, at £600 each	1,200	0	0
For the charge of 42 other unemployed Major-Generals, at £400 per annum each	16,800	0	0

For the charge of five other unemployed general officers, who receive more than £400 per annum each, namely—

1 Unemployed Lieutenant-General, at £1 5s. 7d. per day	466	17	11
1 Unemployed Major-General, at £1 9s. 2d. per day	532	1	0
3 Unemployed Major-Generals, at £1 3s. per day each	1,259	5	0
Making a total of pay for unemployed general officers, and for allowances to make the pay of those removed from the Foot Guards (to reduce the burdens of the country) the same as if they had not been removed,—in other words, to shift the burden off one shoulder to the other, under pretence of removing it	£76,000	0	0

The particulars of the second class, namely, for retired field officers and captains of the army who have been induced to retire on full pay, waving their claims for promotion, by which promotion is found for a new set of officers, and the aggregate cost of the whole is augmented by the sum of £57,000; this being occasioned by an arrangement made in 1840, under pretence of retrenchment. Those particulars are for—

22 Lieutenant-Colonels at 17s. each per day	£6,205	0	0
20 Majors, at 16s. each per day	5,840	0	0
45 Captains, holding brevet rank as field officers, which brevet rank was conferred on them and others in honour of the Queen's marriage, and some of the Royal births, adds 2s. a-day to their pay for life; 45 at 13s. 7d. per day each	11,155	6	3
70 Captains (without the rank of brevet field officer), at 11s. 7d. per day..	14,797	14	2
Making	£37,998	0	5
From this charge is to be deducted a sum which, through official mystery, or the financial disorder of all the army accounts, is introduced in this account without explanation	6,652	2	6
And there remains	£31,345	7	11

Add for retired full-pay subalterns, &c.—

82 Lieutenants at 7s. 6d. each per day	£11,228	15	0
13 Lieutenants, at 6s. 6d. each per day	1,542	2	6
1 Sub-Lieutenant, at 11s. 10d. per day	215	19	2
20 Ensigns, at 5s. 3d. each per day	1,916	5	0
1 Ensign, at 4s. 8d. per day	85	3	4
3 Paymasters, at 15s. each per day	821	5	0
5 Adjutants, at 8s. 6d. each per day	775	12	6
16 Quartermasters, at 6s. 6d. each per day	1,898	0	0
7 Quartermasters, at 6s. each per day	766	10	0
1 Surgeon, at 14s. 1d. per day	257	0	5
2 Assistant Surgeons, at 7s. 6d. each per day	273	15	0
Allowance to one of the above officers, who formerly held companies in the Invalids	80	0	0
	£57,853	8	4
Deduct probable saving by casualties	853	8	4

And there remains to be paid this year for officers who have been induced to retire on full pay, to make room for new officers, as arranged by the Government in 1840, in shape of a measure of economy, but which is, in reality, an addition to the wasteful expenditure of the taxes paid by a people whose burdens are crushing them to commercial death, namely

£57,000 0 0

The third class of military costs to be particularised in this section is one amounting to £15,597; of that sum, £8,296 15s. 1d. is paid to officers as additions to full or half pay, in name of rewards for distinguished services. The nominal list of those officers is too long to be repeated here. Some of them, as Major-General W. F. P. Napier, the military historian (who has £200 per annum under this head), are, doubtless, officers of distinction; but most of them hold a plurality of offices,—some being regimental clothiers and horse-dealers, drawing pay and profits as such, and at the same time pay as sinecure governors of garrisons; while others, though irreproachable as officers, have been put upon this list in consequence of political rather than military services of distinction. It is not yet twelve months since a Member of Parliament, eminent as an economist, drew upon himself the severe animadversion of naval and military officers and of their political connexions, by declaring the army and navy to be trading professions, and that they were unnecessarily large and expensive. Of those who were the sharpest in rebuking this economist was a military Member of Parliament, elected by a popular metropolitan constituency. It was a service of consequence to that Government, which was adding to the numbers and expensiveness of the army and navy, to hear from the representative of a large and popular constituency, that the army and navy were not too large, that they were not more expensive than was requisite, and that they were not trading professions. It may, or it may not, have been for this timely political service; it may have been for some previous military distinction, that this military Member of Parliament was placed on the list of those receiving the rewards now under examination by the Financial Reform Association; but if so, it is remarkable that his vindication of an extravagant military expenditure and his reward came together.

Besides those officers who have rewards in money without any office being attached to the reward (about fifty in number, absorbing the sum of £8,296 15s. 1d. as already stated), there are the following who have the pay of offices, to which, using the language of the official estimates, "no duty is attached." But it is to be remarked, that the sums set against each office do not express the actual expense to the public. A sinecure governor has an actual establishment under him in the place where he is governor, who also receive pay. And to pay and manage the department of the Army-office, through which their pay and allowances pass, a set of expensive clerks is required; while to pay and manage other portions of the sinecure pay and allowances, another set of expensive clerks is required in the Ordnance-office. Taking the governorship and lieutenant-governorship of Edinburgh Castle as an instance, the sinecure pay of the governor is charged in the shape of sundry allowances under the head of Home-staff. But there is also a lieutenant-governor, whose emoluments come through the department of military rewards, now under examina-

tion. He receives £173 7s. 6d. of pay, and £200 as an allowance for "fire and candles." The pay department requires a staff of clerks, and the fire and candle department a staff of clerks—the latter making out balances with the Commissariat, who should issue the fire and candles; and a third set of clerks in the Commissariat is employed in striking balances with them about transactions which have no real existence; while, again, the Ordnance department incurs a similar expense for the inferior offices in the Castle, which those sinecures call into existence.

The list of rewards to army officers, in shape of sinecure garrison appointments, stands thus:—

	PER ANNUM.
Alderney, Town Major	£69 19 2
Belfast, Town Major	63 13 8
Ditto, Lodging allowance	25 4 0
Berwick, Governor Sir J. Bathurst	568 15 10
Dartmouth, Fort Major	69 19 2
Duncannon Fort, Fort Major	63 13 8
Edinburgh Castle, Lieutenant-Governor	173 7 6
Ditto, fire and candle	200 0 0
Gravesend, Lieutenant-Governor	173 7 6
Hull, Lieutenant-Governor	173 7 6
Malta, Garrison Quartermaster	136 17 6
New Geneva, Fort Major	159 4 0
Portsmouth, Physician	173 7 6
Quebec, Governor	346 15 0
Ditto, for fire and candle	98 17 1
St. Mawes, Captain or Keeper	104 18 9
Scarborough, Governor	15 4 2
Sheerness, Governor	284 7 11
Tynemouth, Lieutenant-Governor	173 7 6
Isle of Wight, Captain of Sandown Fort	173 7 6
Ditto, Captain of Carisbrook Castle	173 7 6
Ditto, Captain of Cowes Castle	173 7 6
Fort-William, Lieutenant-Governor	173 7 6
Portsmouth, Surgeon	44 2 1
Portland Castle, two porters	21 5 10
Isle of Wight, seven wardens	85 3 4
Cinque Ports, Lord Warden	474 10 0
Lieutenant-Governor, Dover Castle	173 7 6
Deputy-Governor, Dover Castle	104 18 9
Pay of the officers and gunners of Archcliffe Bulwark, and of Dover, Sandown, Deal, Sandgate, and Walmer Castles	539 8 10
Which, with the former sum of £8,296 15s. 1d., makes	13,507 8 10

Add to which the following:—

A sum not to exceed £2,000 a-year to be distributed pursuant to her Majesty's warrant of the 19th December, 1845, in annuities or rewards for distinguished meritorious service to sergeants, in sums not exceeding £20 a-year, which may be held during service, and together with pension	2,000 0 0
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Total for rewards under this head	£15,507 0 0
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While examining the costs incurred by the retirement of employed military officers, on the pretence of retrenchment, by which the cost of the army is in reality augmented, the Financial Reform Association observe, with suspicion, the report that the Government contemplate a

revision of the Excise and Customs departments by a process similar to that in the army. The report is as follows :—

“ We understand that the reductions in the Excise will be of a very extensive nature ; and that, independently of those officers who will be recommended for permanent retired allowances, no fewer than three hundred will be placed upon the redundant list, to be re-admitted into the service as vacancies may arise in the reduced establishment ; and until all these redundant officers shall have been provided for, no new appointments will be allowed to take place.”

Now what the public interest requires is a reduction of expenditure, not a removal of Excise officers, to remain idle and draw pay in their idleness. Should this Excise-office and Custom-house reform resemble the Army, Ordnance, and Navy reform, the “ redundant ” officers will be paid for doing nothing, while new departments are created, with additional officers, to do the duty of the “ reformed ” department.

SECTION XIII.

UNEMPLOYED OFFICERS OF THE ARMY.—(Continued.)

The classes of unemployed officers which the last section treated of were those retired on full pay, and those who, besides retiring on full pay, were in the receipt of reward and other emoluments, many of them having retired to give way to other officers, a few of them only being disabled from service by old age.

The present section treats of officers who are in receipt of half-pay, some of them aged or disabled, most of them as able and as willing to be employed as they were at any previous period of their lives, but who are, to the expense of the nation and the discredit of the various Governments which have thus wasted the public revenue and added burden to burden upon the industrious people, set aside to make room for the favourites of political parties, who could not have risen to high rank as fast as was desired, had these remained in the service. The sums paid to them are as follow :—

	PER DAY.	PER ANNUM.		PER DAY.	PER ANNUM.
168 Lieut.-Colonels	11s. 0d.	£33,726 0 0	53 Captains	8s. 0d.	£7,738 0 0
4 Ditto	12 6..	912 10 0	1 Ditto, receiving a portion of half-pay		57 1 10
1 Ditto, receiving a portion of half-pay		100 15 0	1 Captain-Lieutenant	8 0..	54 15 0
Special allowance of £100 a-year each, to 20 Lieut.-Colonels of long and meritorious service, having the brevet rank of Colonel, who having retired, or who may retire, to half-pay, after 30 years' service, on full pay ..		2,000 0 0	65 Lieutenants	2 4..	2,967 18 4
1 Major	7 6..	136 17 6	7 Ditto	3 0..	383 5 0
240 Ditto	9 6..	41,610 0 0	177 Ditto	4 0..	12,921 0 0
4 Ditto	10 0..	730 0 0	836 Ditto	4 6..	68,656 10 0
4 Captains	3 11..	285 18 4	83 Ditto	4 8..	7,068 16 8
65 Ditto	5 0..	5,931 5 0	9 Ditto	5 2..	848 12 6
4 Ditto	5 6..	401 10 0	1 Ditto, receiving a portion of half-pay		54 15 0
797 Ditto	7 0..	101,816 15 0	1 Ditto, ditto		44 15 0
57 Ditto	7 6..	7,801 17 6	1 Ditto, ditto		29 15 0
			1 Ditto, ditto		28 10 0
			32 Cornets, Ensigns, and Second Lieutenants	1 10..	1,070 13 4
			8 Ditto	2 6..	365 0 0
			133 Ditto	3 0..	7,281 15 0

		PER DAY.	PER ANNUM.			PER DAY.	PER ANNUM.
11	Cornets, Ensigns, and Second Lieutenants	3s. 6d.	£702 12 6	1	Assistant Inspector	17s. 0d.	£310 5 0
1	Paymaster	4 0 0	73 0 0	10	Physicians	10 0 0	1,825 0 0
1	Ditto	6 0 0	109 10 0	3	Staff-Surgeons	5 0 0	273 15 0
9	Ditto	7 0 0	1,149 15 0	1	Ditto	6 0 0	109 10 0
52	Ditto	7 6 0	7,117 10 0	17	Ditto	7 0 0	2,171 15 0
2	Ditto	8 0 0	292 0 0	3	Ditto	9 0 0	492 15 0
2	Paymasters	10 0 0	365 0 0	1	Ditto	9 6 0	173 7 0
15	Ditto	12 6 0	3,421 17 6	13	Ditto	10 0 0	2,372 10 0
3	Ditto	13 0 0	711 15 0	3	Ditto	11 6 0	629 12 6
4	Ditto	15 0 0	1,095 0 0	2	Ditto	12 0 0	438 0 0
4	Adjutants	2 0 0	146 0 0	4	Ditto	16 0 0	1,168 0 0
2	Ditto	3 0 0	109 10 0	1	Ditto	22 0 0	401 10 0
9	Ditto	4 0 0	657 0 0	6	Ditto, 1st Class	15 0 0	1,642 10 0
7	Ditto	4 6 0	574 17 6	10	Ditto, Ditto	17 0 0	3,102 10 0
1	Quartermaster	1 6 0	27 7 6	4	Ditto, 2nd Class	6 0 0	438 0 0
34	Ditto	2 0 0	1,241 0 0	1	Ditto, Ditto	13 0 0	237 5 0
1	Ditto	2 6 0	45 12 6	1	Ditto	15 0 0	273 15 0
46	Ditto	3 0 0	2,518 10 0	3	Staff Assist.-Surgeons	3 0 0	164 5 0
25	Ditto	4 0 0	1,825 0 0	5	Ditto	4 0 0	365 0 0
3	Ditto	5 0 0	273 15 0	2	Ditto	7 6 0	273 15 0
41	Ditto	6 0 0	4,489 10 0	5	Apothecaries	5 0 0	456 5 0
9	Ditto	8 0 0	1,314 0 0		Ditto	7 6 0	
3	Veterinary-Surgeons	3 6 0	191 12 6	7	Hospital Assistants	2 0 0	255 10 0
3	Ditto	4 6 0	246 7 6	2	Purveyors	10 0 0	365 0 0
3	Ditto	7 0 0	383 5 0	22	Deputy Purveyors	5 0 0	2,007 10 0
3	Ditto	8 0 0	438 0 0	1	Ditto	8 0 0	146 0 0
3	Ditto	12 0 0	657 0 0	1	Superintendent	12 6 0	
1	Chaplain	2 6 0	45 12 6	REDUCED OFFICERS OF HER MAJESTY'S AMERICAN FORCES.			
4	Ditto	3 4 0	243 6 8	2	Captains	5 0 0	82 10 0
5	Ditto	5 0 0	456 5 0	7	Lieutenants	2 4 0	298 1 8
1	Ditto	5 6 0	100 7 6	1	Ditto	3 0 0	54 15 0
1	Ditto	6 0 0	109 10 0	2	Ditto	4 0 0	146 0 0
1	Ditto	7 0 0	127 15 0	1	Second Lieutenant	3 0 0	54 15 0
1	Ditto	7 6 0	136 17 6	12	Ensigns	1 10 0	401 10 0
3	Ditto	16 0 0	876 0 0	1	Adjutant	4 0 0	73 0 0
1	Deputy Q. M. General	11 0 0	200 15 0	1	Quartermaster	2 0 0	36 10 0
1	Inspecting Field Officer of Militia	11 0 0	200 15 0	REDUCED AND RETIRED OFFICERS OF HER MAJESTY'S LAND FORCES.			
4	Sub-Inspectors of Militia	7 0 0	511 0 0	1	Lieutenant-Colonel		600 0 0
1	Ditto	8 0 0	146 0 0	1	Major		100 0 0
3	Depot or District Paymasters	7 6 0	410 12 6	1	Captain		191 5 0
1	Ditto	12 6 0	228 2 6	1	Lieutenant		24 0 0
1	District Adjutant	4 0 0		1	Ditto	3 6 0	63 17 6
3	Ditto	4 6 0	246 7 6	2	Ditto	4 6 0	164 5 0
4	Surgeons-Major of Foot Guards	21 1 0	1,530 1 8	1	Ditto	7 0 0	127 15 0
1	Regimental Surgeon-Major	11 6 0	209 17 6	2	Paymasters	5 0 0	182 10 0
2	Surgeons	2 0 0	73 0 0	2	Ditto	7 6 0	273 15 0
1	Ditto	5 6 0	100 7 6	14	Quartermasters	3 0 0	766 10 0
3	Ditto	6 0 0	328 10 0	2	Ditto	4 6 0	164 5 0
32	Ditto	7 0 0	4,088 0 0	14	Chaplains	4 0 0	1,022 0 0
3	Ditto	8 0 0	438 0 0	1	Ditto	16 0 0	292 0 0
25	Ditto	10 0 0	4,562 10 0	1	Assistant-Surgeon	3 0 0	54 15 0
7	Ditto	11 6 0	1,469 2 6	1	Adjutant	4 0 0	73 0 0
13	Ditto	13 0 0	3,084 5 0	1	Dep. Commiss.-General	15 0 0	273 15 0
43	Ditto	15 0 0	11,771 5 0	1	Commissary of Musters		159 3 9
1	Ditto	17 6 0	319 7 6	1	Ditto		100 0 0
4	Assistant-Surgeons	2 6 0	182 10 0	2	Chaplains, £35 each per annum		70 0 0
4	Ditto	3 0 0	219 0 0	4	Ditto, £40 each per annum		160 0 0
38	Ditto	4 0 0	2,774 0 0	1	Ditto	15 0 0	273 15 0
1	Ditto	5 0 0	91 5 0	1	Master of Depot Vessel, Ports-mouth		36 0 0
1	Ditto	6 0 0	109 10 0	1	Officer, commanding Jersey Troop		73 0 0
6	Inspectors-General of Hospitals	20 0 0	2,190 0 0	1	Quartermaster	9 0 0	164 5 0
1	Ditto	21 1 0	384 15 5	1	Provost Marshal		200 0 0
2	Ditto	25 0 0	912 10 0	1	Quartermaster, Military Asylum		75 0 0
7	Ditto	30 0 0	3,932 10 0	MEDICAL OFFICERS.			
2	Deputy Inspectors-General	10 6 0	383 5 0	1	Director-General of Military Hospitals		866 17 6
5	Ditto	12 6 0	1,140 12 6	1	Inspector-General of Hospitals		547 10 0
1	Ditto	14 0 0	255 10 0	2	Ditto	37 11 0	1,383 19 2
4	Ditto	15 0 0	1,095 0 0	1	Ditto		691 19 7
5	Ditto	17 0 0	1,551 5 0				
6	Ditto	20 0 0	2,190 0 0				
1	Assistant Inspector	10 0 0	182 10 0				
1	Ditto	12 6 0	228 2 6				

	PER DAY.	PER ANNUM.		PER DAY.	PER ANNUM.
Deputy Inspector-General of Hospitals	24s. 0d.	£438 0 0	Deduct probable saving by casualties		£2,306 16 11
Physician	10 0..	182 10 0	Probable charge for Half-pay, Military Allowances, &c.....		£414,715 7 0
Surgeon (regimental)	4 0..	75 0 0	In aid of which may be appropriated:—		
Assistant-Surgeon	7 6..	73 0 0	The surplus upon the sales of commissions of officers who were not entitled to receive the full value thereof		8,538 0 0
Ditto	3 0..	136 17 6	The sums retained by the public from the half-pay of lunatic officers, beyond the expense of their maintenance, to the 31st December, 1847, which are liable to be repaid on the recovery of such officers		177 7 0
Purveyor	15 0..	273 15 0	Appropriations in aid.....		8,715 7 0
Ditto	3 0..	54 15 0			
Medical Clerk		54 0 0			
REDUCED & RETIRED OFFICERS OF HER MAJESTY'S AMERICAN FORCES.					
Adjutant		35 0 0			
Red. Adjutants of Yeomanry	3s. 0d.	273 15 0			
Reduced Sergeant-Majors of Yeomanry	1 6..	164 5 0			
Total for Yeomanry.....		438 0 0	Remains to be provided		£400,000 0 0
		£417,022 3 11			

Looking back at so ponderous a mass of expenditure devoted to such purposes, and the amount of which is drawn from the hard-earned resources of an over-burdened nation, the question is a natural one—Why such an unprofitable outlay should exist? Affairs of State ought to be administered, however liberally, still prudently; a reason should exist for the grant of each shilling of the public money, nor should there be any greater proportion of dead-weight payments among those who have earned the wages of the State, than among those who have been employed in commerce.

FINANCIAL REFORM.

The Financial Reform Association was instituted in Liverpool, on the 20th of April, 1848, for the following

OBJECTS.

1st. To use all lawful and constitutional means of inducing the most rigid economy in the expenditure of the Government, consistent with due efficiency in the several departments of the public service.

2nd To advocate the adoption of a simple and equitable system of direct taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensively-collected duties upon commodities.

Political partisanship is distinctly disowned, the Association being composed of men of all political parties.

TERMS OF MEMBERSHIP.—Five Shillings per annum for the year ending 19th April, 1849; and a Subscription of Ten Shillings and upwards will entitle Members to receive all the publications of the Association free by post.

The Publications already issued are—Reports of the Public Meetings of the Association, and Tracts Nos. 1, 2, 3, 4, 5, 6, 7, and 8.

No. I. treats of the CIVIL LIST; of the augmentation of National Burdens since George I.; of her Majesty's Privy Purse, Household Salaries, Household Tradesmen's Bills, Bounties, and Charities; and also of the Departments of the Lord Chamberlain, the Lord Steward, the Master of the Horse, the Mistress of the Robes, and of all those idlers whom ages of custom have permitted to be fixed on the Royal establishment, eating up her Majesty's Royal income, and leading the public to believe that Royalty is more costly than it really is.

No. II. treats of the PENSION LIST.

No. III. of TAXATION; its Amount and Sources; its Effect on the Physical Condition of the People, and on the Trade of the Country.

No. IV. on the ARMY EXPENDITURE.

No. V. on the ARMY, ORDNANCE, COMMISSARIAT, NAVY, and COLONIAL EXPENDITURE.

No. VI. The NATIONAL BUDGET, for 1849; by RICHARD COBDEN, Esq., M.P.; with a REPORT of the PUBLIC MEETING held at the Concert-hall, December 20, 1848.

No. VII. on the ARMY, ORDNANCE, COMMISSARIAT, NAVY, and COLONIAL EXPENDITURE.

No. VIII. on the WOODS and FORESTS.

N.B.—Public Meetings are held on the third Wednesday of every month; the Council meets every Monday and Thursday; and the Secretary attends the Office daily. Sections of the Tracts, in printed slips, are forwarded once a week to nearly every newspaper in the Kingdom.

Post-office orders to be made payable to EDWARD BRODRIBB, Esq., Treasurer of the Association, Harrington Chambers, North John-street, Liverpool.

Subscriptions are also received by Mr. EFFINGHAM WILSON, Royal Exchange, London.

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FINANCIAL REFORM TRACTS.

No. 10.

THE NAVY.

SECTION I.

SHIP-BUILDING AND ENGINE-MAKING.

ON the 2nd of February, 1848, a select committee of fifteen members of the House of Commons was appointed, "to inquire into the Expenditure on account of the Army, Navy, and Ordnance, and to report their Observations thereupon to the House." This committee consisted of

Lord SEYMOUR, Chairman.

Mr. Fox Maule,
Mr. Hume,
Mr. George Bankes,
Sir James Graham,
Marquis of Granby,

Sir William Molesworth, Mr. William Miles,
Mr. Cobden, Mr. John Greene,
Mr. Corry, Sir Francis Thornhill Baring,
Mr. Walter, Sir Thomas Acland,
Mr. Edward Ellice,

The business was chiefly conducted by Lord Seymour, Sir James Graham (formerly First Lord of the Admiralty), Mr. Corry (formerly Secretary to the Admiralty), Mr. Hume, and Mr. Cobden. During their sittings, extending through the greater part of the long Parliamentary session, they were occupied with evidence relative to the expenses of the navy. A volume, of 1,226 folio pages, containing the report of the committee, 10,191 questions and answers, and a large number of official documents, tabular statements, &c., has been printed.

To read a volume of such dimensions seems a formidable task, yet few will begin this without going through it. The Financial Reform Association, for the sake of those who cannot obtain the original, nor find time to go through it if they had it, make a few selections. In the first place, Mr. Ward, the present Secretary to the Admiralty, in his evidence, states :—

"I should say that there is no department" (under Government) "in which the want of a regular system has been so much felt as in the Admiralty; one in which so many expensive alterations, particularly in naval construction, have been created by the sudden changes of persons having the authority, and by the want of a systematic application of certain principles. There is a doubt that the alterations in naval construction have been one cause of the immense increase of labour in the dockyards, and of our great national expenditure."

An adverse vote in the party warfare of the House of Commons gave, with a new Ministry to the country, new Lords of the Admiralty, a new secretary, and a whole legion of applicants for employment and State pay. Ships on the stocks were pulled to pieces, the timber re-hewed into other shapes, or sold as offal, and new frames of other ships of other dimensions laid on in their places; ships completed in the building were pronounced not to be worth rigging; or, if completed in the rigging, not to be worth manning and commissioning for sea; and, accordingly, new ones, without regard to number or expense, were hastened forward, whilst these virgin ships, to the extent of seventy or eighty, were kept, and are now kept, in the harbours, going to decay, or getting repairs to the extent of £20,000 or £25,000, once in every cycle of six or seven years; they have not been commissioned, and never will be, as they are alleged to be complete failures. As

many or more have been taken to pieces within a few years. The Lords of the Admiralty and their servants have worked at some as children do at toys, adding a piece to the length and taking away a piece; changing form, and restoring form; cutting down and building up, until the thing under their hands has grown so monstrously absurd, that they have thrown it aside as wayward children do, disgusted at their own work. And so they have gone on to something else, to repeat the same expensive child's play.

But not only have the amateur lay Lords, and the crotchety sea Lords of the Admiralty, amused themselves with millions of public money and scores of ships every year thus; they have employed servants equally incapable and crotchety. Mr. Creuze, the surveyor to Lloyd's, who had been educated in the School of Naval Architecture, who was a master-shipwright in the Admiralty Dockyard up to 1844, and still retained a partiality for some of the practices there which others did not approve, was unable to withhold his condemnation of the Admiralty ships built since 1832 by the surveyor of the navy. He stated that in 1843 and 1844 he had been officially employed to examine and report upon the ships-of-war which had been built during ten years; but, in reply to Question 9,029, put by Mr. Hume, said he "would rather be permitted to forego any examination upon that subject." Whereupon Question 9,030 was put by Mr. Hume thus:—"The committee, however, request that you will state (though you may be compelled in doing so to mention facts that may be disagreeable to the parties who took part in that construction) what opinion you formed of the system pursued in the construction of ships for the public service?" To which, being thus pressed, he replied—"That the ships were merely a series of experiments, not founded on correct principles." And to the next question, he answered, that these were "the whole of the ships, to a greater or less degree, that were built by Sir William Symonds."

QUESTION 9,032 (by Mr. Hume).—"Are you to be understood to mean that all the ships built by Sir William Symonds were built without regard to the scientific principles to which you refer?"

ANSWER.—"I do not say they were built without regard to scientific principles, but I say that Sir William Symonds was not sufficiently acquainted with the progress which correct principles of naval architecture had made to make them available in the construction of his ships; thus, for instance, one great fault was a want of knowledge of the correct principles on which the stability of ships depends. * * All his ships were more or less uneasy, so as to render them virtually insufficient as men-of-war. They were expensive from their wear and tear. * * An uneasy ship deteriorates fast, because the strains upon her are heavy. She becomes loose and leak, and the admission of water causes her to decay fast; therefore, she is frequently under repair."

Other witnesses proved the astounding numbers of ship-building abortions which had been begun, not completed, taken to pieces and the timber re-converted for ships of other sizes, or sold as "offal."

But in steam-engines made for the navy, and the ships built for the engines in the dockyards, without their respective artists having any knowledge of what the other was doing, exceeds in absurdity, and even in costliness, the freaks of Sir William Symonds and the amateur Lords of the Admiralty.

Mr. Scott Russell, a practical engineer, and member of the Institute of Civil Engineers, who had been extensively concerned in the construction of first class steam-ships and their engines—those magnificent vessels which work like clock-work on the Atlantic Ocean—explained how easy it was to obtain a certain result in the mercantile steam navy, while in the war steam navy all was uncertainty and reckless cost.

QUESTION 7,027 (by Mr. Cobden).—"You have explained to the committee how it is that in private yards they obtained one uniform result in building steam-vessels where the builders are experienced; how do you account for the failures which have taken place in the Admiralty steamers during the interval of time as you have stated to the committee the merchant steamers have been so uniformly successful?"

ANSWER.—"I think the cause is just the difference between people of experience building and people of inexperience. * * * Sir William Symonds, for example, began to build a war steamer. Sir William Symonds had never built a war steamer before; the consequence was, that instead of taking the section midships, which we learned, by our dear experience, to be the only section that would answer, he took

a section of a sailing-vessel which we had found, seven years before, would not answer; just putting back the work seven years."

In the next section, a list of the ships built under this blundering system, from 1832 to the present time, with their tonnage and cost per ton, will be given. The list is too long for the present section, but a few specimens of the steamers may be cited here. The Royal yacht Victoria and Albert is one. The naval architect had spoiled a good many ships in attempting to make a steam navy, and fooled away a good number of millions sterling before he tried his hand at the Royal yacht; so that it might have been expected that he had gained experience. But no; the Victoria and Albert cost in building, rigging, and fitting for sea, £69,941; but, on getting afloat, the obstinate ship held down her head, and would not move except at the risk of being driven by the engines to the bottom. The engines had to be taken out; fittings pulled down to get them out; and before they and the fittings were replaced, a further sum of £43,806 was expended. The engines were lighter than they should have been, being constructed for another ship. This construction of engines for one class of ships, and placing them in another when they are found not to work in the class intended, degenerate occasionally to a farce.

Three first-class steamers were built—the Simoon, to carry engines of 780-horse power; the Vulcan, to carry engines of 700-horse power; and the Megæra, to carry engines of 566-horse power. The Admiralty men changed their minds after the engines were in progress and partly paid for, thinking them too heavy. They resolved to transfer them to three ships of the line, already afloat. Preparations were made, at great expense, to render those ships of the line fit to receive them. But again the Admiralty men changed their minds, thought the three ships of the line would be spoiled, and so the large engines lie unemployed. Meanwhile two steamers were ordered to be built, and begun, called the Sea-horse and the Eurotas, the engines of which were to be 350-horse power. Mr. Napier, of Glasgow, who had made engines by contract for the Admiralty, refused to tender for engines of that size, "to be crammed into the small hold of the Seahorse and Eurotas;" but other engineers tendered, and the engines were made. Not so the ships. The minds of the Admiralty Lords were changed, the Seahorse and Eurotas abandoned, and the engines left unemployed. The Lords looked around to discover if they could use them anywhere—anyhow; and seeing the Simoon without an engine (which was built for one of 780-horse power), ordered one of those of 350-horse power to be placed in that ship.

Mr. Gordon, an engineer, the London agent of Mr. Napier, of Glasgow, says—"The reckless waste of money in altered and defective plans in building ships and steam engines for the navy would long since have made any mercantile company bankrupt." He gives, as one of the reasons for the slow progress of science in the steam-factories of the dockyards, the fact of the practical men there being debarred, through formality in speaking, from suggesting improvements to the superior officers; while these, again, must make their reports through Somerset-house, whence the suggestion goes by message to the Admiralty, at Whitehall, where it lies on the table, to be considered by the Lords. They may or may not understand the nature of the practical suggestion; but they answer, and send their answer to Somerset-house, from whence it is sent to the surveyor or captain superintendent of the dockyard, who conveys it to the master builder or engineer, or some one else. But the chances are that it has been lost by the way, or so absurdly transformed in its formal progress from one power to another, that it no longer applies to its purpose. On the other hand, Mr. Gordon states, many, if not most, of the practical improvements in the engine factories of private firms originate in suggestions or remarks made by intelligent workmen, foremen, and other subordinates to their superiors, who are always ready to be spoken to, and who understand the nature of the improvements suggested.

SECTION II.

SHIP-BUILDING.

Referring again to the evidence of Mr. Creuze, the Surveyor to Lloyd's, which he gave before the Committee on the Navy Estimates, 28th June, 1848, the reader may be reminded that he pronounced the ships of war built during ten years preceding

1844 as "failures," as a series of experiments not founded on correct principles;" and that the principal naval architect employed on them was not "sufficiently acquainted with the progress which correct principles of naval architecture had made." The architect was Sir William Symonds; but it is only fair to him to say that he acted under the controul and direction of the Lords and Secretaries of the Admiralty; and that during that period those official personages had been several times changed, in the alternate flowing and ebbing of Whig and Tory politics. Nor was Sir W. Symonds the only builder who spent public money by millions annually in the dockyards up to 1844, at which time Mr. Creuze and others were officially employed to examine and report on his ships, nor in the three following years, in which he was still the builder of naval abortions. There were others; but as the ships which they built, and which "failed," have not been specified, a statement of their cost must be omitted.

The official returns from which the following list is selected contain more particulars than are here quoted, but they do not affect the questions of "cost to the country," or "failure in construction," and are therefore omitted.

The column with the figures of "cost per ton when launched," does not in all cases express the actual cost, as some were launched with the hulls fitted for sea, while others were launched before being fitted for sea.

Nor does this table show the expenses of alterations upon those ships in the desperate efforts to correct their mal-construction. We have no record of those expenses farther than the gross annual charge under the heads of wages and materials. The accounts of repairs do not distinguish between alterations for faulty construction and for tear and wear, except in some cases. But even where they do so, they are not to be relied upon. The expenses of *repairs*, which should have been called *alterations*, have been deliberately misrepresented by the officers of the dockyards, that the extent of the alterations might be withheld from the Government—(see questions and answers from 9,067 to 9,100, quoted in next section). This grave fact attaches not alone to certain specified cases; but the evidence which makes the astounding disclosure alleges that a secret understanding exists among the superior officers that they are not to divulge those practices of falsifying the accounts!

LIST OF SHIPS BUILT BY THE SURVEYOR OF THE NAVY, AND LAUNCHED FROM 1833 TO 1847 INCLUSIVE, BEING ENTIRE OR COMPARATIVE FAILURES, FORTY-FOUR OF WHICH HAVE NOT BEEN SENT TO SEA IN CONSEQUENCE OF MAL-CONSTRUCTION. (*Where there are blanks in the £ s. d. columns, read, "prices not recorded"*):—

Number of Ships.	Name.	Number of Guns.	When Launched.	Tons Burthen.	Cost per Ton.		Number of Ships.	Name.	Number of Guns.	When Launched.	Tons Burthen.	Cost per Ton.			
					£	s. d.						£	s. d.		
1	Vernon.....	50	May, 1832	2082	23	5	9	28	Bonetta	3	April, 1836	319	17	11	5
2	Rover	18	July, 1832	598	0	0	0	29	Dolphin	—	June, 1836	319	21	15	10
3	Vestal	26	April, 1833	913	21	0	0	30	Gipsy	—	Oct., 1836	70	23	10	6
4	Racer	16	July, 1833	430	19	13	4	31	Volcano (strmr.)	—	June, 1836	720	31	14	3
5	Ringdove.....	16	June, 1833	429	22	10	5	32	Cremill.....	—	Aug., 1836	75	30	0	9
6	Pandora	3	July, 1833	318	16	19	5	33	Bat	—	April, 1836	75	30	18	4
7	Gulnare (strmr.)	3	Sept., 1833	300	22	6	7	34	Lily	16	Sept., 1837	432	19	16	5
8	Duck	3	April, 1833	106	24	19	2	35	Sappho.....	—	Feb., 1837	428	21	4	4
9	Rochester	3	Nov., 1833	154	26	19	8	36	Mercury.....	—	Feb., 1837	70	24	12	0
10	Fountain	3	Nov., 1833	106	23	10	6	37	Dasher (strmr.)	—	Dec., 1837	260	23	5	5
11	Pique	36	July, 1834	1633	24	4	2	38	Gorgon (strmr.)	—	Aug., 1837	1111	21	11	7
12	Royal Adelaide.	3	May, 1834	50	45	19	2	39	Medusa (strmr.)	—	Aug., 1837	717	21	2	10
13	Blazer (strmr.)	3	May, 1834	527	17	0	3	40	Widgeon.....	—	Sept., 1837	164	25	19	1
14	Tartarus (strmr.)	3	June, 1834	523	20	2	0	41	Daphne	18	Aug., 1838	926	14	11	10
15	Ant	3	July, 1834	106	21	4	8	42	Acorn	16	Nov., 1838	485	20	17	1
16	Drake	3	Mar., 1834	109	24	7	1	43	Grecian	—	April, 1838	484	19	11	2
17	Sindbad	3	Feb., 1834	105	25	12	0	44	Pilot	—	June, 1838	485	21	16	8
18	Vanguard	80	Aug., 1835	2609	21	16	0	45	Penguin.....	—	April, 1838	360	21	10	10
19	Cleopatra	26	April, 1835	918	21	17	0	46	Petrel.....	—	May, 1838	359	21	0	4
20	Wanderer	16	July, 1835	428	23	18	2	47	Acheron (strmr.)	—	Aug., 1838	722	19	10	1
21	Star	16	April, 1835	358	25	0	5	48	Hydra (strmr.)	—	July, 1838	818	15	19	9
22	Hermes (strmr.)	16	June, 1835	716	21	3	8	49	Medusa (strmr.)	—	May, 1838	889	16	1	5
23	Devon	—	Sept., 1835	154	25	9	5	50	Merlin (strmr.)	—	April, 1838	889	14	13	7
24	Carysfort	26	Aug., 1836	925	21	6	0	51	Aid	—	Mar., 1838	155	25	5	3
25	Diao	18	June, 1836	734	18	5	2	52	Lively.....	—	May, 1838	155	27	15	9
26	Harlequin.....	16	Mar., 1836	433	19	0	2	53	Mary.....	—	May, 1838	78	30	3	7
27	Wolverine	—	Oct., 1836	428	23	11	3	54	Queen.....	100	May, 1839	3104	22	14	1

Number of Ships.	Name.	Number of Guns.	When Launched.	Tons Burthen.	Cost per Ton.	Number of ships.	Name.	Number of Guns.	When Launched.	Tons Burthen.	Cost per Ton.
					£ s. d.						£ s. d.
55	Nile	92	June, 1839	2622	27 0 10	100	Virago (stmr.)..	—	July, 1842	1059	18 11 3
56	Fantome	16	May, 1839	483	21 8 1	101	Helena	16	July, 1843	549	17 7 7
57	Persian	16	Oct., 1839	484	18 14 9	102	Sea-lark	16	July, 1843	319	18 7 5
58	Crane	—	May, 1839	359	19 13 7	103	Ratter (stmr.)..	—	April, 1843	888	15 4 7
59	Alecto (stmr.)..	—	Sept., 1839	800	16 16 9	104	Rosamond (str.)	—	May, 1843	1059	17 4 2
60	Cyclops (stmr.)	—	July, 1839	1195	19 4 9	105	Victoria and Albert (steamer)	—	April, 1843	1034	23 6 1
61	Hecate (stmr.)..	—	Mar., 1839	817	16 10 11	106	Vulture (stmr.)	—	Sept., 1843	1143	20 7 1
62	Hecla (steamer)	—	Jan., 1839	817	17 11 2	107	Centurion	80	May, 1844	2590	22 2 8
63	Prometheus (st.)	—	Sept., 1839	796	20 5 5	108	Boscawen	70	April, 1844	2213	25 6 8
64	Stromboli (str.)	—	Aug., 1839	967	19 18 1	109	Flora	30	Sept., 1844	1634	21 4 10
65	Vesuvius (stmr.)	—	July, 1839	970	20 0 3	110	Amethyst	26	July, 1844	923	22 12 5
66	Iris	26	July, 1840	907	19 0 0	111	Juno	26	July, 1844	923	19 0 11
67	Bittern	16	April, 1840	484	17 12 4	112	Gladiator (str.)	12	Oct., 1844	1210	17 15 11
68	Cygnnet	8	April, 1840	359	19 9 6	113	Retribution (st.)	12	July, 1844	1641	21 0 3
69	Ferret	6	June, 1840	358	25 5 6	114	Sampson (str.)..	12	Oct., 1844	1299	18 8 5
70	Rapid	10	June, 1840	319	17 16 11	115	Seourge (stmr.)	12	Nov., 1844	1124	18 19 6
71	Driver (stmr.)..	—	Dec., 1840	1057	18 7 8	116	Hamoaze	—	Jan., 1844	153	0 0 0
72	Lizard (stmr.)..	—	Jan., 1840	283	21 11 11	117	Active	36	July, 1845	1627	20 13 5
73	Locust (stmr.)..	—	April, 1840	284	20 15 11	118	Alarm	26	April, 1845	912	23 1 1
74	Medina (stmr.)..	—	Mar., 1840	889	17 1 6	119	Creole	26	Oct., 1845	923	22 0 7
75	Polyphemus (st)	—	Sept., 1840	801	16 9 6	120	Calypso	20	May, 1845	734	25 19 1
76	Collingwood ..	80	Aug., 1841	2584	21 12 8	121	Kingfisher	12	April, 1845	446	19 10 3
77	Cambrian	36	July, 1841	1625	19 2 1	122	Avenger (stmr.)	—	Aug., 1845	1444	31 0 2
78	Spartan	26	Aug., 1841	918	21 15 7	123	Bulldog (stmr.)	—	Oct., 1845	1124	20 15 4
79	Siren	16	Aug., 1841	549	18 3 5	124	Centuar (stmr.)	—	Oct., 1840	1270	21 6 5
80	Heroine	10	Aug., 1841	359	21 6 11	125	Dragon (stmr.)..	—	July, 1845	1270	20 15 9
81	Spy	3	Mar., 1841	321	20 0 8	126	Fury (steamer)	—	Dec., 1845	1124	22 0 7
82	Ardent (stmr.)..	—	Feb., 1841	801	16 12 11	127	Inflexible (str.)	—	May, 1845	1122	18 19 2
83	Devastation (st)	—	July, 1841	1058	17 6 3	128	Constance	50	May, 1846	2132	19 3 7
84	Geyser (stmr.)..	—	April, 1841	1054	16 6 3	129	Mariner	16	Oct., 1846	481	20 8 6
85	Growler (stmr.)	—	July, 1841	1059	18 4 4	130	Hound	10	May, 1846	360	20 16 6
86	Styx (steamer)..	—	Jan., 1841	1057	19 5 3	131	Conflict (stmr.)	—	Aug., 1846	1015	20 4 7
87	Vixen (steamer)	—	Feb., 1841	1054	17 5 5	132	Sphinx (stmr.)..	—	Feb., 1846	1067	15 16 8
88	Albion	90	Sept., 1842	3110	24 16 3	133	Teazer (stmr.)..	—	June, 1846	296	20 3 7
89	Goliath	80	July, 1842	2596	21 17 3	134	Lion	80	July, 1847	2589	22 16 7
90	Superb	80	Sept., 1842	2583	21 5 8	135	Sybill	36	April, 1847	1632	21 1 1
91	Cumberland ..	70	Oct., 1842	2214	20 6 8	136	Arachne	18	Mar., 1847	602	25 12 3
92	Albatross	16	Mar., 1842	484	17 17 4	137	Arab	16	Mar., 1847	481	21 1 11
93	Philomel	10	Mar., 1842	358	21 10 0	138	Atalanta	16	Oct., 1847	552	17 14 0
94	Bee (steamer)..	—	Feb., 1842	42	17 10 11	139	Camilla	16	Sept., 1847	549	17 13 10
95	Cherokee (str.)	—	Sept., 1842	750	0 0 0	140	Elk	12	Sept., 1847	484	20 8 0
96	Cormorant (str.)	—	Mar., 1842	1057	21 9 5	141	Heron	12	Sept., 1847	482	19 6 0
97	Firebrand (str.)	—	Sept., 1842	1190	19 11 9	142	Brittomart	10	June, 1847	329	21 8 18
98	Spiteful (stmr.)	—	Mar., 1842	1054	17 10 8	143	Dart	3	Mar., 1847	319	22 17 0
99	Thunderbolt (s)	—	Jan., 1842	1055	18 8 8						

The other ships of the navy, launched during the same period, are the following :

Number Launched.	Names.	Guns.	Ton-nage.	Number Launched.	Name.	Guns.	Ton-nage.
1	Neptune	120	2075	21	Buzzard	3	233
2	Monarch	84	2286	22	Spitfire (steamer)	—	553
3	Castor	36	1293	23	Spider	—	183
4	Andromache	28	717	24	Inconstant	36	1421
5	Conway	28	652	25	Calliope	28	720
6	Scout	18	489	26	Electra	18	462
7	Forester	3	230	27	Hazard	18	431
8	Griffon	3	230	28	Modeste	18	568
9	Scorpion	10	228	29	Termagant	3	232
10	Cockatrice	—	182	30	Nile	92	2622
11	Dee (steamer)	—	704	31	Indus	80	2098
12	Firefly (steamer)	—	550	32	St. George	120	2719
13	Phoenix (steamer)	—	809	33	London	92	2602
14	Rhadamanthus (steamer)	—	813	34	Meander	46	1221
15	Salamander (steamer)	—	818	35	Trafalgar	120	2721
16	Royal William	120	2698	36	Hindostan	18	2050
17	Waterloo	120	2718	37	Nile	16	509
18	Rodney	92	2625	38	Chichester	50	1501
19	Forth	46	1228	39	Worcester	50	1473
20	Lynx	3	232	40	Eurydice	26	921

Number Launched.	Name.	Guns.	Tonnage.	Number Launched.	Name.	Guns.	Tonnage.
41	Daring	12	426	55	Encounter (steamer)....	—	906
42	Espeigle	12	443	56	Niger (steamer)	—	1014
43	Mutine	12	428	57	Rifleman (steamer).....	—	486
44	Osprey	12	526	58	Sidon (steamer)	—	1316
45	Janus (steamer)	—	763	59	Odin (steamer).....	—	1310
46	Porcupine (steamer)	—	382	60	Dauntless (steamer)	—	1497
50	Raleigh	50	1939	61	Termagant (steamer) ..	—	1547
51	Spitfire (steamer)	—	432	62	Leander	50	1987
52	Terrible (steamer)	—	1850	63	Reynard (steamer).....	—	516
53	Thetis	36	1533	64	Vivid (steamer)	—	352
54	Amphion (steamer)	—	1474				

The tonnage of the ships built and launched by Sir William Symonds, from his first year, 1832, up to the end of 1847, seems to be 120,970, which, on an average of £22 per ton, represents a cost of £2,661,340.

The tonnage of the ships built and launched, the productions of other builders, from 1832 to 1847, appear to be 66,943, which, at £25 per ton (they being generally larger ships), represents a cost of £1,673,575.

The amount voted for ship-building, and the maintenance of the navy, were, in those years, the following:—

1832	£4,878,634	1838	£4,811,990	1844	£6,250,120
1833	4,658,134	1839	4,197,511	1845	6,943,720
1834	4,578,009	1840	5,824,074	1846	7,528,873
1835	4,245,723	1841	6,805,353	1847	7,747,156
1836	4,533,543	1842	6,818,171		
1837	4,788,761	1843	6,382,990		£91,992,762

The wages and cost of victualling for all hands, sailors and marines, in those sixteen years, were probably about £26,000,000, estimating by the number of men employed in each year. Add to this the cost for ship-building, as already stated, namely, £4,334,915, and there is a sum of £30,334,915. Add to the cost of ship-building one-half for rigging, sails, and stores to complete for sea, or £2,167,547, and there is a cost, exclusive of machinery to steamers, repairs, and dock-yard buildings, of £32,502,462, about one-third only of the whole money voted. Guns and ammunition are paid for under the Ordnance estimates.

It is true there are more ships than those launched in that period of sixteen years, and they must be kept in repair. It is true that the machinery of the steamers is not included, and it is highly expensive. It is true the dock-yard buildings and plant are not included, and they are highly expensive. But it is of the cost of that machinery, placed in ships without due regard to their scientific construction, the machinery itself improperly constructed in many cases, as will be shown from evidence; it is of the dock-yard buildings and plant, extensive works being often begun without orders from the Admiralty; and above all, it is of the *repairs*, but more strictly *alterations*, which the heaviest complaints must be made. It will be seen in the next section that the accounts of *repairs* have been deliberately “falsified” (that is the word of an eminent witness), in the dock-yards, to hide the cost arising from original mal-construction of the ships.

Lord Seymour, *Chairman of the Committee* (9088).—“That misrepresentation had been made designedly?”

A. B. Creuze, *Esq., Engineer, Surveyor to Lloyd’s*.—“Designedly; it must have been designedly.”

It thus appears, that while sixty millions sterling out of the ninety-two millions voted for the navy in sixteen years have to be accounted for under the heads of Dockyard Works, Steam-engine Factories, Non-effective Services and *Repairs*, the public are reduced to the disagreeable necessity of *doubting the accuracy of the accounts rendered* of the expenditure of that appalling amount of taxation.

SECTION III.

CURIOUS DISCLOSURES IN THE COMMITTEE ON THE NAVY ESTIMATES.

The evidence referred to at the close of last section is the following:—

9060.—*Sir James Graham.*—“At the present moment the accounts being kept as against each ship, and Sir William Symonds being no longer surveyor, the exact prime cost of any one of his ships, as contrasted with the prime cost of other ships of the same class, would show the comparison as accurately as it would be possible to obtain it, would it not?”

A. F. B. Creuze, Esq., Surveyor to Lloyd's.—“It could not be satisfactorily got up. I will give an instance: there is a great deal of manual labour, such as convicts could give; it would be exceedingly easy to employ more labour of that sort upon *one ship than upon another*, obviating the necessity of the shipwrights doing a great deal of that labour; or, *it would be very easy to employ convicts in one case, and free labourers in another.*”

“9061. Then the accounts kept in the Queen's yards, as respects the prime cost of ships, appear to you to be worthless?”

“Not worthless. They are very valuable checks; but as to their being taken as positive facts, so that deducting the less sum from the greater, to say that is the difference between the cost of two ships, I think they are so far worthless.”

“9062. Accounts professing to represent facts, and not really representing them, do appear to you of value?”

“Yes, as operating as a check; as showing the dockyards that the governing powers wish to exert a control over the expenses. The very anxiety in the subordinates to make those accounts appear small will lead to economy.”

“9063. Still, in your opinion, the statement of facts would be delusive, and not conclusive?”

“It would be delusive, and yet the being forced to keep accounts would be very valuable.”

“9064. Though leading to erroneous conclusions?”

“Though leading to erroneous conclusions, I know that, in private yards, ship-builders keep accounts of all the ships they build, but the results are only, after all, an approximation.”

“9065. What was the first frigate built by Sir William Symonds?”

“The Vernon.”

“9066. You say that he had, by induction, to arrive at knowledge: the Vernon being his first ship, was his first experiment, when he had the least knowledge?”

“Exactly.”

“9067. Therefore, the Vernon, probably, would be the greatest failure?”

“Not necessarily, because he might not be competent to drawing correct instructions; it requires a certain degree of previous professional or general scientific education to draw correct instructions.”

It is here to be remarked, that Sir James Graham was First Lord of the Admiralty in 1832, and appointed Sir William Symonds to the high office of surveyor and ship-builder-in-chief. It was, therefore, natural to cross-examine this witness, when he had accused Sir William Symonds of building mal-constructed ships, to show that those ships had not cost more in prime cost and repairs than others. Hence, the witness was drawn into the necessity of showing that convict labour may be employed upon some ships, and not upon others; and as he next showed under the pressure of cross-examination (which was urged for a very different purpose), that the accounts of repairs and other dockyard works were deliberately falsified, or intermingled to conceal the cost of repairing those ships. The questions and answers thus continue, Sir James Graham being still the interrogator,—

“9068. When he built the Vernon, he had no means of drawing any induction at all; it was his first frigate?”

“It was his first frigate, and he professed, himself, when he commenced, that all the ships should be built alike; that the line-of-battle ships and the cutters should be upon the same lines.”

“9069. You say his vessels pitch heavily; if Sir Francis Collier has said, that

the Vernon was one of the easiest ships in which he ever sailed, would that have any effect upon your judgment?—None.

“9070. You have said that his ships are inefficient as men-of-war; if the opinions of admirals and captains should be that the Queen is the finest first-rate in her Majesty’s service; that the Vanguard is the most weatherly line-of-battle ship; that all the frigates, generally, are superior to any frigates of the same class, that would not shake your opinion, probably, of their being inefficient men-of-war?”

“Decidedly not, *there was no correct standard to compare them with*. I dare say every captain reported faithfully according to his own belief; but every captain reports favourably of his own ship. *There were no ships that were as good as ships can be* (according to present knowledge) *in existence*. Perhaps the Canopus was the best ship to have compared a line-of-battle ship with.

“9071. You say that the ships are expensive from the wear and tear; you say that the accounts kept as to the cost of construction, are not conclusive, but lead to erroneous calculation; does the same observation apply to the accounts kept with respect to the wear and tear against ships?—Yes.

“9072. Therefore your opinions about the relative cost of the wear and tear would not be shaken *by accounts showing that the wear and tear is not greater in Sir William Symonds’s ships than in others?*

“No; I am certain that the accounts that were kept of the wear and tear of the Vernon, at Sheerness, were incorrectly stated. I am quite certain that the accounts kept of the wear and tear of the rigging of the Pique, at Portsmouth, were incorrectly stated.

“9073. Designedly so?”

“Designedly so.

“9074. By whom?”

“I would rather take the risk of being supposed to have made a remark I cannot substantiate, than mention names. I believe I have a letter in my possession, at this very moment, stating the fact of the falsification of the accounts at Sheerness; and I am cognisant of the fact of a threat that was held out to an officer of Portsmouth Dockyard, if he brought forward the case of the rigging of the Pique.

“9075. You are not sure that you have the letter, and you were not a witness to the threat?”

“I am not sure that I have the letter; but I know the name of the person who wrote the letter, *who was the officer employed in the repair of the Vernon*.

“9076. Who is that person?”

“I object to give his name.

“9077. Upon what ground do you object?”

“*Because he is still in the service, and it might be detrimental to him*.

“9078. Why detrimental to him?”

“*Because it is always unpleasant to be known to have told the secrets of the service; in fact, when we were in the service we never spoke of such things*.

[“The witness was directed to withdraw.

“The witness was recalled and again examined.]

“9086. When you spoke of the falsification of the accounts, to what did you refer?”

“When I say accounts, I do not mean money accounts; but it is a falsification of the accounts of the circumstances.

“9087. You mean a misrepresentation as to the repair of the rigging?”

“I mean a misrepresentation as to the repair of the rigging.

“9088. And you said that that misrepresentation had been made designedly?”

“Designedly; it must have been made designedly.

“9089. And yet it was made by an officer of very high personal character?”

“It was made by an officer of very high personal character.

“9090. You conveyed the impression to my mind that it was not made except under the influence of some high authority; was that the impression which you meant to convey to the committee?”

“This officer of high character, I expect, was the originator of the wish. *It was well known at the time that the Admiralty of the day was exceedingly favourable to Sir William Symonds and to his ships, and, consequently, every officer in the service would be very desirous to make every thing appear to chime in with the views of the Admiralty*.

“9091. You think it was done by this officer from a desire to do what he thought would be agreeable to the Admiralty of the day?—Exactly.

" 9092. Can you state the date of that repair of the rigging of the Pique?"

" I cannot. The time when she had a new rigging could be easily ascertained."

" 9093. You say that it was under Sir Frederick Maitland's superintendence of the yard?—Yes.

" 9094. When there was a general rigging of the Pique?"

" I believe a general rigging of the Pique.

" 9095. When was the repair of the Vernon?"

" I think it was the first repair she underwent at Sheerness. I beg it may be clearly understood, that I had not the slightest intention, when I entered this room, of making any charges whatever; I was forced into it by the cross-examination."

The nature of that examination and cross-examination was not likely to induce others to make such disclosures of dockyard secrets. Mr. Corry, formerly a Lord of the Admiralty, and subsequently Secretary to the Admiralty, next proceeded to cross-examine this witness, apparently with a view to elicit that he was a disappointed servant of the dockyards, and, therefore, an unfair witness.

" 9096. (*Mr. Corry.*)—Was not Mr. Read, who was associated with you and Mr. Chatfield in preparing a report upon naval architecture, and likewise in proposing designs for an 80-gun ship, a 36-gun frigate, and a 12-gun brig, *promoted while those designs were under preparation?*—Yes.

" 9097. I believe you retired from the service of the Admiralty very shortly afterwards?—I retired from the service in 1844.

" 9098. Mr. Read was the senior officer employed on that occasion, was not he?"

" He was.

" 9099. Have you any reason to know that at that time the Admiralty entertained the intention of promoting Mr. Chatfield on an early opportunity?—No.

" 9100. Mr. Chatfield has been since promoted to the rank of assistant master shipwright, has not he?—He has, very lately, indeed, been promoted."

Instead of endeavouring to elicit from this and other witnesses facts of irregularity, misrepresentation, or falsification, the members of the committee who had been in the Government, or were in it, or were politically connected with those who had been in, or were in, seem to have had but one rule of conduct throughout the inquiry, namely, to deter the witnesses, by imputations conveyed in cross-examination, from making any charge against the dockyard authorities. In this case, however, they were foiled. It was the cross-examination by Sir James Graham that elicited the statement relative to the *repairs* of certain mal-constructed ships. And Mr. Corry, in his attempt to make it appear that, if the witness had been promoted in the dockyards, he would not have divulged the secrets of the service, only exposed what was *his opinion* of servants trained up under a bad system. Mr. Creuze left his subordinate situation in the Admiralty to be promoted to the most responsible and respectable public service, in respect of ship surveying, in the kingdom; he left his subordinate situation there to survey, classify, and hold under his scientific observance for the purposes of insurance, the greatest navy in the world, the mercantile marine of Great Britain. He must have left the dockyards with a high reputation, else he would not have been appointed to that high office.

SECTION IV.

NAVAL STORES.—THE ROYAL FORESTS.

It has been alleged, as an argument against the proposition of not spending more revenue on the military and naval armaments in future, that was found sufficient in 1835, that "the economy of that period was dishonest"—that an apparent "economy was kept up for delusive purposes"—that "the stores were exhausted," and "had to be replenished by an increased expenditure in subsequent years."

A careful examination of the quantities of materials in the dockyard stores, as furnished each year from 1833 to 1848 inclusive, leads to a different conclusion. There are fifty-two kinds of rough timber specified, and in each of the years of low expenditure there were larger quantities of timber in store than in other years, elm alone excepted, an article comparatively little used in ship-building. A few of the leading materials used in the dockyards are here selected, as proofs:—

QUANTITIES OF TIMBER IN THE DOCKYARDS ON THE 1ST OF JANUARY IN EACH YEAR FROM 1833 TO 1848.

Years.	Loads English Oak, rough contents.	Loads English Oak sided.	Loads English Oak converted.	Loads Foreign Timber, sided or square.	Loads Foreign Timber, converted.	Loads English and Foreign Thick Stuff	Loads English and Foreign Planks.
1833	8285	9,375	5974	34,187	6202	2885	3009
1834	6518	9,073	5402	31,934	6744	4031	4056
1835	4445	12,196	5207	32,013	6594	4695	5018
1836	3160	16,036	4746	32,356	6758	5278	5965
1837	2643	17,010	3864	28,821	5432	6081	6042
1838	1840	16,938	3403	25,055	4950	6821	5935
1839	1446	15,635	3234	21,724	5134	6809	6228
1840	3404	14,060	3876	19,313	5740	5613	5955
1841	3549	12,910	5112	20,800	6744	7011	7414
1842	2161	14,158	5490	22,880	7908	7227	7228
1843	731	16,223	5440	27,794	7956	8013	8543
1844	308	14,676	5950	28,719	9704	9192	9029
1845	383	13,968	5882	25,690	11,951	7746	8494
1846	779	11,140	5994	21,833	11,750	6444	7892
1847	1340	10,820	6508	23,144	12,524	7274	7884
1848	880	11,848	7266	23,398	12,650	7422	8906

The deals for decking and such purposes were one-third more in 1834, '35, '36, and '37 than in any other four years of the period.

The hemp in store was 7,801 tons in 1835, and 7,421 in 1836, since which the quantity has decreased and was, in 1848, only 5,067 tons.

The pitch in store ranged from 2000 to 3000 tons from 1833 to 1839, and was reduced in 1848 to 1272 tons. Tallow and oil were stored in the same proportions.

The "bolts" of canvas were 36,041 in 1833, 24,911 in 1835, 22,906 in 1836, varying to 17,427 in 1839, and were 33,589 in 1848.

Of yarn there were 3,913 "haws" in 1835, 2,706 in 1836, 2,843 in 1847, and 3,554 in 1848.

Of cables there were 2,757 tons in 1835, 2,611 in 1836, 1,061 in 1847, and 1,058 in 1848; while in the years 1841 and 1842 there were only 863, and 816 tons respectively.

The quantities of some other articles in store are seen in the following table:—

MISCELLANEOUS ARTICLES IN STORE IN THE DOCK-YARDS ON THE 1ST OF JANUARY IN EACH YEAR, FROM 1833 TO 1848, INCLUSIVE.

Years.	Anchors	Bower Chain Cables.	Tons of Iron Ballast.	Tons of Copper Sheathing.	Boats, Barges.	Bow-sprits, 1st Rates	Lower Masts, 1st and 2nd Rates.		
							Fore.	Main.	Mizen
1833	2516	748	55,651	368	62	27	21	24	28
1834	2441	857	60,958	378	67	22	16	20	23
1835	2386	842	58,878	347	54	23	13	16	23
1836	2327	784	62,200	441	51	21	15	15	19
1837	2189	689	61,038	350	42	17	8	11	17
1838	2035	652	59,922	352	32	20	10	11	14
1839	1760	667	60,982	434	36	19	15	16	12
1840	1695	736	61,658	389	44	20	13	13	13
1841	1648	718	61,073	276	43	12	11	10	10
1842	1568	644	62,124	179	26	15	16	15	14
1843	1826	716	61,366	131	29	25	22	18	17
1844	2142	563	63,011	188	32	28	24	23	24
1845	2326	690	63,350	356	42	21	22	22	20
1846	2386	713	62,037	376	50	22	23	23	21
1847	2304	659	58,570	223	51	22	21	22	19
1848	2432	645	59,301	260	48	20	19	17	16

The lower masts, classified as third, fourth, fifth, and sixth rates, were in similar quantities to the first and second rates in the table, the six different rates of top masts, lower yards, and topsail yards were nearly in the same proportion as the masts; where they differed, the variation was in favour of the years of economy.

The bowsprits of the second, third, fourth, fifth, and sixth rates were in the same proportion as those of the first rates in the table.

Ships' launches, first, second, third, fourth, fifth, and sixth rates were similar in proportion to the boats and barges in the table. So also were pinnaces, yawls, cutters, jolly-boats, dinges, and gigs.

Blocks, rigging, and sails were in similar proportion to the other stores specified.

Bolt staves, and all the articles of sheathing, were in similar proportion to the copper sheathing specified in the table.

Tar was in the same proportion as pitch already noticed.

Coals for smitheries yard, steam-engines, steam-vessels, and coked, were less in quantity in 1839, 1842, and 1845, than in 1835.

Thus the proof is complete, that the stores were not "dishonestly" reduced in the dockyards in 1835.

The returns which afford this proof also show the greater increase of expenditure, in stores of all kinds, in the latter years of the period, than in 1835. If it be contended that fewer ships were built than were necessary in 1835, the reply is, look at the *waste*—look at the alterations rendered necessary by the mal-construction of the ships built even in the most economical years. And, again, look at the unnecessary cost of ship-building in timber common to every year; and to the unavoidable excess in the cost of iron in 1835 over the prices of 1848. At present we turn to the timber.

The Financial Reform Association gave, in their Tract No. 8, a description of the Royal forests, which are said to be maintained as forests to produce timber for the navy; though, in fact, they are kept up to breed and feed deer for a few place-holders; to provide the places for the holders, and, in not a few cases, to breed the holders for the places. The Association regret, while exposing the losses to the public imposed by those forests, and by other property called Crown lands, to be compelled to refer to the civil list voted by Parliament for the maintenance of the Sovereign. But having shown in their Tract No. 1 how extravagant was the payment of certain offices in the Royal establishment not requisite, by any estimate of common sense, to add to the dignity of the Throne; and how absurd were other offices whose very existence in a civilized age is a reproach; it has been contended and urged that the Sovereign (in the person of George III.) had surrendered the Crown lands and forests to the service of the nation, for which the vote of the civil list in return was only a moderate compensation. The value of the Royal forests is estimated on two principles.

The first principle is involved in such propositions as the following:—Britain is powerful among nations; Britain is powerful because she has a great navy; Britain cannot maintain a great navy without timber to build and repair her men of war; Britain obtains timber from her Royal forests. Therefore the Royal forests must be maintained to sustain the power of Britain among nations.

The second principle is contained in this fiction—that over the cost of maintaining the Royal forests there is a surplus of income; therefore they should be maintained. But how stands the fact? There is no such revenue derived from the Crown lands and Royal forests as is equivalent to the civil list. If the complicated accounts were clearly rendered, it is probable the public would find the Crown lands and forests to be a serious annual loss.

The timber of which the navy is built is not obtained from the Royal forests, except in fractional quantities; and those fractional quantities are not obtained from the forests direct. That department of Government called the Commission of Woods and Forests sells the timber to the merchants; the merchants sell it to the contractor, who has the monopoly of supplying the dockyards; and that contractor sells the forest property of the public to the Admiralty for the public service, at an average of £16 10s. per load (squared contents), while other merchants offer to supply the dockyards at £13 15s. (squared contents), which supply the Admiralty refuses.

Mr. Nash, of the firm of Nash and Gurney, timber merchants, stated to the Committee of the House of Commons, which took evidence on the navy estimates in 1848, that, "The trade generally, in fact I may say to a man, believe that no person in the trade will receive a contract but Messrs. Morris."

Messrs. Nash and Gurney offered to supply timber in February, 1843, to the dockyards at Woolwich, Sheerness, and Portsmouth, at prices considerably less, as was subsequently ascertained, than the tender of Messrs. Morris, which was accepted. The tender accepted is kept secret from the other competitors. They only obtain a knowledge of it by getting a member of Parliament to move for a return after its term has expired, the Government opposing a return if moved for in Parliament during the time the contract is in operation. Mr. Nash was asked by Mr. Ellice if it would not be a "great precaution on the occasion of the tenders being opened, if all the merchants tendering were present to see them opened, and hear the decision?" and replied that "It would be so. It might, perhaps, be possible to make that order; *but it would be very much like turning the tide to get such a thing done at Somerset House.*"

The following is a copy of the bond which was offered by Messrs. Nash and Gurney, on the occasion of their tender being refused in 1843, in favour of one at a higher price:—

"We, the undersigned, agree to become bound with John Nash and Henry Gurney in the sum of £25,000, for the whole or a due proportion of that sum, for a part only of a contract for the supply of British oak timber, oak thick-stuff plank, and tree-nails to her Majesty's dockyards, tendered for by them this day. We are, Sir, your obedient servants, Joseph Fletcher, Union Dock, Limehouse (reference, Sir Charles Price, Bart.), W. B. Gurney (reference, Gosling and Sharpe.)"

Mr. Morris, who obtained the contract at a higher price than the tender which was accompanied by that letter of surety, did not furnish the quantity of timber required within the time specified. Messrs. Nash and Gurney had a large stock at Chepstow and elsewhere, which they provided in anticipation of the contract not obtained, and offered to supply the dockyards with the quantity still required (and which Mr. Morris could not supply), at 10 per cent. under the contract price of Mr. Morris; but the Admiralty, though complaining of the want of timber, would not accept the offer.

Mr. Nash says, the practice is for the Admiralty to advertise for tenders to be sent in, for a quantity of timber much more than they require, or which any merchant can supply. They thus deter competition, give the contract to the party who has had it for thirty years, and accept from him the real quantity required, which is much less than that advertised for.

Q. "What was your tender for any one of the yards in 1846?"

A. "Taking the most difficult yard, Pembroke, we tendered for thick-stuff at £14 a-load. Mr. Morris got the contract at £16 10s. For Sheerness yard we tendered at £13 10s. (Woolwich and Chatham the same). Our average would have been £13 15s. Mr. Morris received for them all £16 10s."

Q. "Had the price of timber advanced in that year?"

A. "No; it was lower."

Q. "Was Mr. Morris's contract higher?"

A. "Yes."

Q. "Timber had fallen and Mr. Morris received a higher price?"

A. "Yes."

Q. "How do you account for that rise in the contract price?"

A. "It was perfectly certain in the trade that no one else would have the contract but Mr. Morris, and nobody would tender. I believe there was not any one else tendered but ourselves."

As respects the supply of timber from the Royal forests, Mr. Nash affords the following information:—

Sir James Graham.—"Do you know anything of the supply of timber from the Queen's forests?"

A. "Yes."

Q. "There is no supply now direct from the forests to the Queen's yards, is there?"

A. "None; it is all sold by auction."

Q. "Do you think that an advantageous arrangement for the public, or otherwise?"

A. "Quite otherwise."

Q. "Why do you think it a disadvantage to the public?"

A. "Because good timber might as well go direct to the yard as be sold to me, and I have to sell it to the contractor. I have to get a profit out of it, and the con-

tractor has to get a profit out of it, and you have to pay a great deal for your own timber again."

The subject of supplying the dockyards with timber was illustrated, also, to the committee, by Mr. Robertson, of Pembroke, formerly a clerk in the dockyard there, subsequently an agent to Mr. Morris, the contractor. After serving the contractor faithfully, for a number of years, his services were dispensed with (to the regret of Mr. Morris, as his letters produced before the committee proved), because the officers of the dockyard opposed all manner of obstacles to the reception of the timber which came through the agency of Mr. Robertson. They caused it to lie in the sun many months, by which it was rent, declining to measure and receive it. They rejected large quantities of a quality never rejected before; and Mr. Robertson says (which, by the letters of the contractor, seem true), *they gave the contractor reason to believe that the losses he thus sustained might be avoided* if he did not longer continue the agency of Mr. Robertson. Their hostility to this gentleman appears to have arisen partly from his opposition to the dockyard politics at the Pembroke elections; for it seems the officers employ so many people, have so many contracts for building, excavating, levelling, &c., to offer; have so many nice little bargains of "offal" timber to give (the produce of infant men-of-war begun, altered, stopped, begun again, changed in form, and ultimately taken to pieces); have, in short, so many favours to confer, and so many fears to work upon, that they can return their candidate at will.

Mr. Robertson, thus released from connexion with the dockyard, comes forward and discloses its practises, which disclosures are not the least curious of the many curiosities in the great naval blue book of 1848. He is an opposition witness, and may speak with an *animus*. But to reject the information offered by such witnesses, is to decide that the public shall remain in utter ignorance of the dockyard system. No person employed in any of the yards dares to divulge the practises carried on within the walls while employed there.

SECTION V.

THE REPAIRS AND ALTERATIONS OF SHIPS ORIGINALLY MAL-CONSTRUCTED.

After perusing the curious disclosures in last section, the tax-paying student of navy statistics must desire to know what sums are set down for "repairs" of ships. The history of the Vernon, gathered from official documents, seems to be the following:—

The Vernon was the earliest offspring in the official career of Sir William Symonds. Her keel was laid at Woolwich, in October, 1831, and she was launched on the 1st of May, 1832. Her tonnage was 2,032: her cost, "fitted for sea," £48,487. In one winter and spring, six months only, the Vernon came into complete existence. Other ships, such as the Trafalgar, at Woolwich, begun in 1829, being without their own constructors to protect and foster them, were neglected, and all the favours of the new builder and the new Admiralty lavished on their own. The Trafalgar was not completed until 1841. A number of other ships were similarly delayed. Thus many thousands of pounds of the taxes of 1828, 1829, and 1830, were expended, and lay a dead loss upon the timber stocks twelve years. Yet such a disposal of the taxes seems to have been more favourable for the nation than that disposal of £48,487 which brought the Vernon into existence.

It will be seen by the evidence quoted at length in Section III., that the accounts of her repairs were designedly misrepresented, to conceal her infirmities and costliness; yet, even according to those accounts, she appears to have had, at a very early age, an extraordinary power of consuming taxes. From May, 1832, to some time in 1833, she lay a helpless thing upon the breast of ocean, or in her watery cradle at Sheerness, not yet a tax-eater; but in the next twelve months, her consumption became enormous for a ship under two years of age. Her "repairs" cost £3,081; and, in the next twelve months—still lying at Sheerness, still unfit to leave the nursery hospital—this young "wooden wall" of Old England swallowed up £2,111 more for "repairs."

In 1835 she was either moderate in her tax-eating appetites, or the "falsification of accounts" made her appear to be so: the cost for repairs was only £273.

In 1836 it was less, only £103.

In 1837, the fifth year of her age, she made up for the moderation of the two previous years. Her "repairs" were set down at £9,036; and in the next year she consumed £3,423 more.

In 1839 she moderated to £455, rising to £707 in 1840, but decreasing to £141 in 1841. In 1842 nothing is told of her; while, in 1843, she is put upon the homœopathic allowance

of £77. She does not appear, however, to have thriven on such short allowances, for next year, 1844, she obtained £2,372, and in 1845, £1,181; in 1846 only £64; but in 1847, though there is the entry, "Not yet received, being at sea," there is the ominous intimation of her return to her native country, and her tax-eating, in the words "Requires a very large repair."

There are statements of particulars of the cost of other ships given with those of the *Vernon*, to show, by comparison, that other builders have given the country costly ships as well as Sir William Symonds. To this dispute about the merits of men the public are indebted for learning something of the merits of ships and their cost, otherwise they might not have known.

The *Caledonia* is a first-rate, carrying 120 guns, and measuring 2,712 tons. She was launched in 1808, has been twenty-one years in commission, and nineteen years lying unused.

The first cost of the <i>Caledonia</i> was.....	£81,507
Her repairs cost from 1808 to 1815	£10,448
From 1815 to 1831	92,151
From 1831 to 1834	3,575
From 1834 to 1839	9,500
From 1839 to 1844	4,715
From 1844 to 1847	3,959
	<hr/>
	£123,348

Total for cost and repairs..... £204,855

The *St. Vincent*, a ship now in commission, built in 1815,

Cost	£87,444
And for repairs since then.....	63,088

£150,532

"Requiring a large repair when paid off," in the words of the Admiralty return.

The *Impregnable* is an unfortunate instance of a misapplied name. "She was built in 1810, at

A Cost of	£60,267
Fitted for sea in 1812, at a cost of	4,739
And has since been troubled with "repairs" to the cost of..	95,426

Cost and repairs of the *Impregnable*, now a harbour ship .. £160,432

But the story of the *Tremendous* is a more interesting one. The hair-breadth escapes of this ship, in the perilous service of lying in harbour at Sheerness and Chatham, boarded every year by her "enemy," the surveyor, ordering repairs for her, and ultimately dooming her to be taken to pieces and sold for old timber, is romantic. Like the *Impregnable*, her name was a misapplication of a strong word. The *Tremendous* was, among ships, a friendless orphan. Nobody seemed to have any friendship for her. They ran up bills of repairs against her to take away her character, and still ordered more, until the event came which they seem to have had in view. Her name and fame became such a reproach; extravagances of other ships in their "repairs" being laid to her charge, that the Lords of the Admiralty at last signed her death-warrant, and she was taken to Deptford to be destroyed. The work of destruction began, but, like the heroine of a melodrama, doomed to suffer for another's crime, her deliverers appeared at Deptford just in time to save her, and she was saved; she has changed her name, and is now a respectable frigate, and may be heard of any day by inquiring for the *Grampus*.

The following "Extracts, from the Annual Surveys," give the leading facts in official language:—

"SHEERNESS, 1835.—*Tremendous* requires a middling repair."

"SHEERNESS, 1837.—*Tremendous* requires a middling repair, and will cost £31,987."

"CHATHAM, 1843.—*Tremendous* requires a middling repair, and will cost £31,987; after such repair she may last six years."

[These two sums are not explained.]

"June 28th, 1843.—I would recommend that the *Tremendous*, as she will require more than £32,000 to make her efficient for service, be selected to replace the *Duke* as a lazarette at Standgate Creek, being found unfit for further service.

(Signed)

W. SYMONDS.

"ADMIRALTY ORDER, 15th July, 1843.—*Tremendous* not to be fitted, as another ship in lieu of the *Duke* is not required."

"December 19th, 1843.—Proposed, with other ships, to be sold or taken to pieces, as more economical than to repair.

(Signed)

W. SYMONDS.

"ADMIRALTY ORDER, 29th February, 1844.—The *Tremendous*, at Sheerness, to be prepared for being sent to Deptford, to be broken up."

Next follows a report, dated May 2, by Captain Hill, stating how his attention was

drawn to the ship after the breakage had begun; that she was in a sound condition "not having been at sea, or in commission, since she had a large repair."

Next comes an "Admiralty order," dated May 4, 1844, stopping the work of up-breaking. And this is followed by an order to appoint surveyors to examine her, "Taking care," says the order, "not to recommend any who have been engaged in any of the former or present surveys of this ship." From this it would appear that the Admiralty doubted the propriety of entrusting her fate, though her sound timbers were now exposed, to those who had before passed sentence on her. She was saved accordingly.

Next comes "A Return of the expense of converting the Tremendous, 74-gun ship, into a frigate of reduced form; number of days in hand; cost in labour and materials, in comparison with cost of building a new ship." In hand from 21st May, 1844, to 10th January, 1846.

Cost of Materials	£8,028
Workmanship.....	6,006
Total.....	£14,034
Comparative cost of building a new frigate of equal class and armament:—	
Materials.....	£33,354
Workmanship.....	11,813
Total.....	£45,167
	14,034
Difference	£31,133

This difference is a key to many of the most remarkable phenomena in ship-building, repairing, altering, and fitting up, now in progress in the dock-yards. The ship was supposed to be worthless, except as for old materials. She was discovered to be worth converting into a fifty-gun frigate. The difference between the cost of her conversion and the cost of a new frigate is credited to the country as a saving. Accordingly, steps are taken to enrich the country by a succession of such savings, of which a few specimens are subjoined.

The Prince Regent was a three-decker. A master shipwright and an admiral superintendent thought she would make a good two-decker, carrying 90 or 100 guns, and would only cost £25,000 to be cut down to that class. After a correspondence with the Admiralty, in which it came out that the razing of the Windsor Castle on some former occasion had cost £12,580, and of the Ocean £45,432, the estimated cost for the Prince Regent was reduced to £24,500. On the 16th of March, 1844, the Admiralty ordered the ship to be cut down. The surveyor of the navy suggested, that in cutting down ships they cut away the soundest parts, and left the unsoundest, which were in the bottom. The surveyor, Sir William Symonds, was not so potent as he once was. He was now a builder of experience, but he was fast growing out of favour. The prospect of having an excellent two-decker for £24,500, seems to have charmed the Admiralty, and they seem, by the returns which they ordered, to have contemplated a number of other *cheap* two-deckers, to be made out of the Hibernia, Queen Charlotte, St. Vincent, Britannia, Howe, Princess Charlotte, Impregnable, Camperdown, Nelson, Royal George, and Royal Adelaide (the three last being ships that had never been at sea!) But Sir William Symonds reminds the Admiralty that such a reduction would be "equal to twelve decks mounting 240 guns," and would "reduce the effective power of the navy."

This seems to have let in a new light upon the Admiralty; they paused, and the Prince Regent only was reduced. The estimate for cutting her down to a ninety-gun ship had been £24,500, but the actual cost being a *trifle more*, namely, £29,315 *more than the estimate*, the service done to the country, even by Sir William Symonds, in preventing, for a time, the reduction of *twelve* decks instead of *one*, will appear to be considerable. Here is an official "Return of the actual Cost of the Prince Regent, repairs, alterations, &c., sailing from Portsmouth 24th March, 1848":—

Cost of cutting down and repairing her hull.....	£37,673
Mast and yards.....	2,954
Rigging and stores.. ..	13,188
Total.....	£53,815

The last thing heard of the Prince Regent was her "behaviour" in a stormy passage to Lisbon, at the beginning of January, 1849, in the squadron of Sir Charles Napier, which "behaviour" is reported to have been so good, in comparison with the bad behaviour of certain three-deckers, and of herself when she belonged to that class, that a case seems to be made out for the reduction of the rest. The arithmetic of the Admiralty will demonstrate what the country *gains* by cutting down three-deckers, which dip their port-holes into the sea in the gentlest of breezes, some of which they dare not send to sea at all, as a breeze would lay them on their beam-ends, or send them to the bottom;

or, if ballasted sufficiently to be steady, the quantity of ballast required would bring the water-mark above the lower ports. One of those three-deckers, which has not been, and cannot be, sent to sea, is the *Nelson*, built and named in honour of the most famous of the working admirals, out lying in dock, a monument of satire upon the political jobbers who take upon themselves the management of the navy.

But the cutting down of larger vessels to a smaller size is carried to a greater extent among ships of the inferior class. There is a return, dated 1st May, 1848, showing the saving, and, consequently, *the accession of wealth*, to the country by cutting down nine 42-gun frigates to corvettes. It is shown that, to have built corvettes, the cost would have been £27,000 each, whereas the nine have only cost as follows:—

Curagoa.....	£3,790
Aigle (expense returned as "unknown; not in office").....	—
Magicienne.....	6,610
Amazon.....	8,104
Dædalus.....	5,464
Brilliant.....	8,321
Havannah.....	9,707
Trincomalee.....	11,721
Amphitrite.....	15,238
Making a total of.....	£68,955
Nine at £27,000 each would have been.....	£243,000
Deduct.....	68,955

And there is an accession of wealth to the country, according to the Admiralty, amounting to..... £174,045

There have been many more ships cut down than those referred to in this section; but the specimens here given are deemed sufficient to illustrate the Admiralty system.

That system seems to be founded on the supposition that nobody is likely to have penetration enough to see, or power of reasoning to comprehend, that the cost of building the large ships should be the proposition in the question of profit and loss on cutting them down. As thus:—

Cost of building a three-decker.....	£82,000
Cost of reducing that three-decker to a two-decker.....	53,815
Total cost.....	£135,815
Cost of building a two-decker.....	60,000

Loss by the Admiralty system of getting a two-decker..... £75,815

But the "cutting down" is a trifling matter, compared with the "adding to the length" of ships, to make them into steamers.

This leads to an examination of the steam navy, a more serious financial subject now than the sailing navy. Thirty-four sailing frigates, which cost £45,000 each, or upwards, were found to be useless from mal-construction. One of them was lengthened, and made into a steamer, at a cost of £59,489, and the rest are to be similarly dealt with. And this is to be done because the steam-frigates, built of iron, are now alleged to be unfit for ships of war. Thirty of those first-class iron steamers were built by order of the Admiralty, in opposition to the opinion of the practical servants of the dockyards, without the iron being put to the proof as a material for war. One of them, built and named in honour of the town of Birkenhead, is, however, talked of as a ship fit to be placed under fire, to prove how many broadsides she will bear before going to the bottom.

No less costly method of proving the applicability of iron to war ships has been suggested than a battery upon one of the most expensive naval steamers! Proofs were not sought until thirty such frigates were built, and others ordered; and now, still without the proof, thirty-three timber-built frigates are being transformed into steamers, to supersede those of iron, at an expense for transformation greater than their original cost in building.

FINANCIAL REFORM ASSOCIATION,
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FINANCIAL REFORM TRACTS.

Nos. 11 and 12.

SPEECH

OF

SIR WM. MOLESWORTH, BART., M.P.,

IN THE HOUSE OF COMMONS, ON TUESDAY, 25TH JULY, 1848,

ON

COLONIAL EXPENDITURE AND GOVERNMENT.

[Through the obliging permission of Sir William Molesworth, the Financial Reform Association are enabled to present, in an entire form, to their subscribers and the public generally, the important facts contained in his speech on Colonial expenditure, delivered in the House of Commons on the 25th July, 1848. So complete and searching an exposure of Colonial Administration, and of the net profits accruing to this country from her extended Colonial empire, ought to be in the hands of every elector throughout the kingdom, that each may determine for himself how far it is either wise or just to keep up an enormous armed force and most extravagant civil establishments, for no other purpose, ostensibly, than to foster and protect a commerce which would be established as certainly, and probably more rapidly and safely, were the Colonies to be self-governed, as many of them are able and desirous to be.]

SIR,—In submitting to the consideration of the House the motion of which I have given notice, I must entreat the indulgence of the House; for the nature and extent of the subject will compel me to trespass at some length upon its patience. My object is, in the first instance, to call the attention of the House to the amount of the colonial expenditure of the British empire; and in so doing, I shall endeavour to establish the following positions: 1st. That the colonial expenditure can be diminished without detriment to the interests of the empire; 2nd. That the system of colonial policy and government can be so amended, as to ensure more economical, and altogether better, government for the colonies. And lastly, that by these reforms the resources of the colonies would be developed, they would become more useful, and their inhabitants more attached to the British empire.

In speaking of colonies, I do not intend to include under that term

territories which are governed by the East India Company, but shall confine my remarks to those foreign possessions of the Crown which are under the jurisdiction of the Colonial-office. Notwithstanding this limitation, the colonial empire of Great Britain contains between four and five millions of square miles—an area equal to the whole of Europe and British India added together. Of this vast space about one million of square miles have been divided into forty different colonies, each with a separate government: four of them are in Europe, five in North America, fifteen in the West Indies, three in South America, five in Africa and its vicinity, three among the Asiatic islands, and five in Australia and New Zealand. The population of these colonies does not exceed 5,000,000; of this number about 2,500,000 are of the European race, of whom about 500,000 are French, about 350,000 are Ionians and Maltese, a few are Dutch or Spaniards, and the remainder, amounting to about 1,600,000, are of English, Irish, or Scotch descent. Of the 2,500,000 inhabitants of the colonies who are not of European race, about 1,400,000 are Cingalese, and other inhabitants of Ceylon, and 1,100,000 are of African origin. In 1844 (the last complete return) the declared value of British produce and manufactures exported to the colonies, amounted to about £9,000,000 sterling. The whole colonial expenditure of the British empire is about £8,000,000 sterling a-year; one-half of which is defrayed by the colonies, and one-half by Great Britain. That portion of the colonial expenditure which is defrayed by Great Britain, consists of military, naval, civil, and extraordinary expenditure.

1st. The net military expenditure by Great Britain, on account of the colonies (including ordnance and commissariat expenditure) was returned to Parliament, for the year 1832, at £1,761,505; for the year 1835-36, at £2,030,059; and for the year 1843-44 (the last return) at £2,556,919, an increase between 1832 and 1843 of £795,414. The present military expenditure is probably about the same as it was in 1843-44; for the military force in the colonies amounts at present to about 42,000 men (exclusive of artillery and engineers), or to about three-eighths of the whole military force of the British empire (exclusive of the army in India). For this amount of force we shall have to vote this year, first, in the army estimates for the pay, clothing, &c., of 42,000 men, and for the foreign staff, about £1,500,000; secondly, in the ordnance estimates for the pay of the artillery and engineers (which I will suppose to be the same as in 1843-44), for ordnance establishments, barracks, fortifications, and stores in the colonies, about £500,000; and thirdly, in the commissariat estimates for commissariat services, provisions, forage, fuel, light, &c., in the colonies, about £450,000: in all, about £2,500,000, which will be the direct military expenditure by Great Britain, on account of the colonies, for this year. To form a fair estimate of the whole military expenditure by Great Britain on account of the colonies, for one year, it

would be necessary to add to this sum of £2,500,000, a very considerable sum, on account of reliefs, military establishments at home, and other matters, which are in part required in order to keep up so large a military force in the colonies. It is evident, therefore, that I shall underestimate the military expenditure by Great Britain, on account of the colonies, when I set it down at only £2,500,000 a-year.

Secondly, with regard to the naval expenditure by Great Britain on account of the colonies. At present we have about 235 ships in commission, with a complement not much short of 40,000 men. Of these ships, about 132, with a complement of about 25,000 men, are on foreign stations: some in the Mediterranean, some on the North American and West Indian station, some off the west coast of Africa and the Cape of Good Hope, others in the Chinese and Indian seas, or protecting our interests in New Zealand. Now the House will remember that, in every debate that has taken place this year on the estimates, the extent of our colonial empire, and the new colonies which are springing up in Australia, New Zealand, and the Chinese and Indian seas, were among the chief causes assigned by the noble lord the member for the City of London, and the honourable gentleman the member for Sheffield, for the enormous amount of the naval force of Great Britain, and for the increase of that force, which has doubled both in magnitude and cost during the last thirteen or fourteen years. I may, therefore, without exaggeration, assume that at least one-third of the ships on foreign stations—that is, one-fifth of the ships in commission—or 45 ships, with a complement of about 8,000 men, are maintained on account of the colonies. Now I infer from the estimates, and from the returns presented to the House, that these ships will cost the country annually, for wages and victuals of crews, wear and tear of vessels and stores, more than £700,000. In addition to this sum, we shall have to vote this year, in the navy estimates, £65,000 for naval establishments in the colonies, another £65,000 for naval works and repairs in the colonies, and £181,000 for freight and other matters connected with the conveyance of troops to the colonies. These sums, added together, will give a total of above £1,000,000 sterling as the direct naval expenditure by Great Britain, on account of the colonies, for one year. To form a fair estimate of the whole naval expenditure by Great Britain, on account of the colonies, for one year, it would be necessary to add to this sum of £1,000,000 sterling, a very considerable sum on account of reliefs, and of building new ships, likewise a portion of the cost of the naval establishments at home, and likewise a portion of the expense of the packet service to the colonies, which last item alone costs £418,000 a year. It is evident, therefore, that I shall very much underestimate the naval expenditure by Great Britain, on account of the colonies, when I set it down at only £1,000,000 sterling a year, or at one-eighth of the whole naval expenditure of Great Britain.

3rd. The civil expenditure by Great Britain on account of the colonies is chiefly defrayed by sums annually voted in the miscellaneous estimates, under the head of colonial services; some portion of it, however, is paid for under acts of Parliament. It may be estimated this year at £300,000. It consists of numerous items, to some of which I shall have presently to refer. I will now only mention that we pay £27,000 a year for the Colonial Office, £20,000 a year for ecclesiastical establishments in the West Indies, between £11,000 and £12,000 a year for the clergy of North America, and that last year we divided the diocese of Australia into four bishoprics, erected a bishopric at Cape Town, and conveyed the right reverend gentleman who held these sees to the colonies, at the expense of this country.

Lastly, under the head of extraordinary expenditure by Great Britain, on account of the colonies, I put down such items as the insurrection in Canada, for which in the interval between 1838 and 1843, there were special grants to the amount of £2,096,000; as the Kaffir war, on account of which there is a special grant this year of £1,100,000, and for which we shall have probably to pay eight or nine hundred thousand pounds more; as the Maori war in New Zealand, which, at a low estimate, will cost half-a-million; as £214,000 for the payment of the debts of South Australia, in 1842; as relief of sufferers by fire and other disasters in the colonies, for which we gave £50,000 in 1846; as the risk of non-payment of loans, such as £236,000 to the New Zealand Company, and £716,000 to the West Indian planters; and innumerable other items. On the average of the last ten years, £200,000 a year would have been wholly inadequate to cover the extraordinary expenditure by Great Britain on account of the colonies. I will put it down, however, at £200,000 a year, and I will omit all mention of the sums paid for emancipating the negroes in the colonies, and the civil expenditure on account of our attempt to suppress the slave trade, which many persons would charge to the account of extraordinary colonial expenditure.

If the four sums which I have just mentioned be added together, namely, £2,500,000 for the army, including ordnance and commissariat, and £1,000,000 for the navy, £300,000 for civil services, and £200,000 for extraordinary expenses, the total direct expenditure by Great Britain, on account of the colonies, would amount to at least four millions a year; and I am inclined to think that this is very much less than the actual annual cost of the colonies to Great Britain. Now, I beg the House to observe, that the declared value of British produce and manufactures exported to the colonies in the year 1844 was nine millions sterling, including the one million's worth of exports to Gibraltar, which are sent to Gibraltar, to be smuggled into Spain. Therefore the expenditure of Great Britain on account of the colonies amounts to nine shillings in every pound's worth of its exports; or, in other words, for every pound's worth

of goods that our merchants send to the colonies, the nation pays nine shillings; in fact, a large portion of our colonial trade consists of goods which are sent to defray the expenses of our establishments in the colonies. What are the advantages which we derive from our colonial possessions in return for this expenditure? Colonies are supposed to be useful either for political or commercial purposes, and with reference to these objects they should be divided into two classes, which should be considered separately; first, military stations, acquired chiefly for political purposes; secondly, colonies, properly so-called, supposed to be of value chiefly for commercial objects.

Our military stations are Heligoland, Gibraltar, Malta, the Ionian Islands, Bermuda, the stations on the west coast of Africa, St. Helena, the Cape of Good Hope, the Mauritius, Hong-Kong, Labuan, and the Falkland Islands. What do these stations cost us—of what use are they to this country? They are called the out-posts of the British empire, and they are supposed to be useful in periods of war, for purposes of aggression. But it appears to me that most of them are so far removed from the centre of the empire, that in time of war they would be sources of weakness and not of strength; for they would compel us, contrary to every sound principle of warfare, to scatter instead of concentrating our forces. Therefore, in the event of a really serious struggle, they would, like other outposts, in all probability, be abandoned to their fate. Moreover, it is evident that we can only retain possession of them as long as we have the dominion of the seas; but having the dominion of the seas, I cannot see why we should cover all of them with fortifications, and fill all of them with troops. I believe a wiser generation will hold wiser opinions with regard to the utility of these possessions. I will, however, for the present, suppose that some of them are of some use to the country, and proceed to tell the house what they cost us.

First. Gibraltar and Malta: in 1843-4 the total expenditure incurred by Great Britain on account of these stations was £366,000. About the same sum is expended upon them every year, for their garrisons consist of between five thousand and six thousand men (exclusive of artillery and engineers), and considerable sums are annually expended on building and repairing fortifications, naval works, &c. It is stated in the navy and ordnance estimates of this year, that the works now in progress in these two colonies will cost us £460,000. I will not ask whether they are worth the price we pay for them. But I do question the utility of protecting the Ionian Islands with two thousand five hundred troops, at a cost to this country of about £130,000 a-year, which is somewhat more than the declared value of our exports to those islands in 1844. When England first became the protecting sovereign of the Ionian States, it was on the express condition that a portion, at least, of their military expense should be borne by the States; the sum to be paid was subsequently

fixed at £35,000 a-year. In 1842 the Ionian States were £122,000 in arrear, and I believe the arrears are still greater at present. We have spent large sums on military works at Corfu, and a grant of £12,873 is to be proposed this year to complete some of these works. Therefore our military stations in the Mediterranean require about 8,000 troops, and they cost us at least half a million a-year, exclusive of any portion of the expense of the fleet in the Mediterranean. That fleet, on the average of the last five years, has consisted of twenty-three ships, with a complement of 5,000 men, the expense of which, for wages, victuals, wear and tear, may be reckoned at half a million a-year. The declared value of our exports to these stations is about £1,400,000, of which nearly a million is a smuggling trade through Gibraltar into Spain.

I next proceed to the Bermudas. Since the peace we have expended there upwards of £600,000 (exclusive of the cost of convict labour) on navy and ordnance works alone; and it is now estimated that to complete these works a further sum of £160,000 will be required. At the Bermudas there is a garrison of 1,200 men, at a cost (exclusive of the expense for convicts) of about £90,000 a-year. Now, what is the use of such costly establishments and fortifications on these worthless rocks? It is said that the Bermudas are useful as a means of aggression against the United States, and that we have garrisoned them and fortified them lest the United States should take possession of them. I believe the United States would not accept of them as a gift. They are chiefly used as a comfortable residence for the admiral on the North American station, for whom it is proposed to build a house at a cost of about £15,000.

I next proceed to St. Helena, which costs us in civil and military expenditure about £40,000 a-year, and to the colonies on the western coast of Africa, which in a similar manner cost us about £52,000 a-year. These colonies are not, strictly speaking, military stations, nor are they of much commercial importance: their main object is to impede the slave trade. The fleet which we had last year upon this station consisted of twenty-four ships, with 259 guns, and a complement of 2,781 men, and its cost was returned to Parliament for wages, victuals of crews, and wear and tear of ships, at £301,628 a-year. Besides these sums we generally expend about £80,000 a-year on other matters connected with what is called the suppression of the slave trade. Therefore, at least half a million a-year is the direct expenditure by Great Britain in the vain attempt to put a stop to that traffic. It may not be proper to include all this under the head of colonial expenditure; but, nevertheless, I may be permitted to express my belief that it is a most useless expenditure, and to recommend Parliament to abandon it, together with the colony of Sierra Leone, and the other stations on the west coast of Africa, and thus to save the country an outlay of at least £450,000 a-year.

I now arrive at the colony of the Cape of Good Hope (the area of

which is considerably larger than that of the United Kingdom). It may be looked upon as a commercial colony as well as a military station. As a commercial colony, it is not of much importance. In 1844, the declared value of our exports to it was only £458,000, and our imports from it were £258,000. The difference was made up by the military expenditure of Great Britain, which for 1843-1844 amounted to £294,000, or more than fifty per cent. on our exports. In that year the number of troops in the colony was 2,951 rank and file; last year, the number was at one time 5,470 rank and file. This increase was in consequence of the Kafir war; and for the same reason the fleet on this station was increased to nine ships, with a complement of 1,700 men, which fleet must have cost this country at the rate of £170,000 a-year. For that war we have already paid £1,100,000, and, in all probability, £800,000 or £900,000 more will be required to close the account. The House will be not astonished at this expenditure when it is informed, in the words of Sir Harry Smith, "that in the last bit of a brush with a Kafir chief called Sandhilli, £56,000 were expended in waggon hire alone." One word with regard to that war,—for it is a striking instance of the pranks that colonial governors can play, of the little control that the Secretary of State for the Colonies can exercise over them, and of the danger to which this country is perpetually exposed, under the present colonial system, of having vast sums of money expended upon a worthless colony. The Cape of Good Hope is the Algeria of England. The Kafir war which has just terminated was, I believe, the fourth in the last thirty years. The one which preceded it is said to have cost this country half a million sterling. All these wars have originated from nearly the same cause, namely, cattle stealing along a frontier of upwards of 700 miles. Sometimes the Kafirs stole, or were accused of stealing, the cattle of the colonists; the colonists retaliated; then they came to blows; blood was shed; the Colonial Government interfered; a large expenditure of public money ensued, to be paid for out of the Imperial treasury. This was the case in the last war. With regard to the origin of that war, there is a great difference of opinion. Some persons, apparently with great reason, ascribe it to the discontinuance of the system of Sir B. D'Urban, and the adoption of the mistaken policy of the missionaries; and they maintain that the war was inevitable, and only too long delayed by attempts to conciliate the Kafirs. Other persons, with much show of reason, ascribe its origin and ill success to the haste and indiscretion of the Governor, Sir P. Maitland. However this may be, the immediate cause of the war was this: a Kafir on the frontier stole an axe. He was arrested and sent off to prison. On the road a rescue was attempted; a conflict ensued; on the one side a Kafir, on the other side a Hottentot constable were slain, and the prisoner was rescued. Application was then made to certain Kafir chiefs to give up the offenders. They refused, on the

grounds that the colonial authorities were not entitled by treaty to send a Kafir to prison for such a trifle as stealing an axe, and that the blood of the Hottentot had been paid for in the blood of the Kafir first killed ; and they entreated the Governor not to be in haste with forces, but to have a talk about the matter and try to understand it. However, the Governor at once hastened to the frontier ; by his orders Kafirland was invaded ; but every arrangement was so ill made that our troops were repulsed ; twice our baggage-waggons were cut off ; and the victorious Kafirs, in their turn, invaded the colony. For months Sir P. Maitland lived in the bush, enduring, according to his own account, unheard-of hardships, when he was very properly superseded. Great was the amazement and indignation of his successor, Sir Henry Pottinger, at the state of affairs which he discovered in the colony. He declares that he cannot give an "adequate idea of the confusion, unauthorized expense, and (as he believed) attendant peculation which had obtained." In that peculation it is rumoured that men of high station were implicated. Numerous instances of reckless expenditure are stated in Sir Henry's despatches. One of a settlement on the Kat River, where the few inhabitants were, on the plea of defending the frontier, receiving rations at the rate of £21,000 a-year. Another in the vicinity of a station called Block Drift, where rations had been regularly given to a number of Kafirs, who had been fighting against us. Sir Henry attempted to put a stop to these abuses ; and the war seemed to be drawing to a close, when, unfortunately, fourteen goats were lost. They were tracked across the frontier into the territory of a Kafir chief ; he was required to restore them, and to give up the supposed thief. Twelve of the goats were immediately sent back, but the chief denied all knowledge of the other two, and of the thief, if there were one. Sir Henry Pottinger was not satisfied. He ordered a secret expedition into Kafirland, to surprise the chief in question. The expedition, as usual, failed ; the chief escaped ; the troops retreated, after having killed a few Kafirs, and carried off some head of cattle ; and the war was kindled afresh. Throughout, Sir Henry Pottinger was thwarted by a divided command ; and the greater portion of his troops were unsuited for the service which they had to perform. For instance, old officers of the Peninsula, accustomed to regular warfare, were intent upon displaying their strategic skill in a contest with savages ; heavy dragoons, mounted upon chargers, armed with rifles impossible to load on horseback ; and English regiments, with their ordinary clothing and accoutrements, had, under the burning sun of Africa, to attack Kafirs skulking in a bush all but impenetrable to Europeans. In such a war, seven British regiments, with artillery and engineers, were not a match for half the number of naked savages armed with assegais. The war would never have been brought to a close had it not been for the colonial corps, who, composed of Hottentots, led on by brave and energetic

young English officers, followed the spoor of the Kafirs, captured their cattle, and hunted them down like wolves. By these means Sir Henry Pottinger brought the war to a close just as he was succeeded by Sir H. Smith. Sir H. Smith, in addition to other marvellous feats, has made the Kafir chiefs kiss his foot, has proclaimed himself their only Inkosi Inkulu (great chief), and has added, on the north of the colony, some 40,000 square miles (about the size of England) of as barren a desert (to use the words of the surveyor-general) as is to be found upon the earth's crust. Thus the loss of one axe and two goats on the frontier of the Cape of Good Hope has cost this country a couple of millions sterling. I attach no blame to Lord Grey or his predecessor on account of this war; it is clear from their despatches (I trust they will pardon me for saying it) that they were helpless and ignorant; and I believe Lord Grey was as much astonished as any man when he heard the amount of the bill to be paid. I warn the House, however, that, under the existing system, there is no reason whatever why, every four or five years, there should not be a similar war, with a similar bill to pay. For, with a frontier of about 700 miles in extent, causes of war with the neighbouring savages will perpetually recur. In the colony such a war is most popular, and is wished for on account of the lavish expenditure of Great Britain; and every effort is made to prolong its duration. There is but one means of securing our purses for the future, namely, by withdrawing our troops from the frontier, and letting the colonists distinctly understand that they must defend themselves, and pay the cost of such defence. Then they will have the strongest motives to prevent the commencement, and to hasten the termination, of a Kafir war. In return for so doing, they should receive free institutions, and have complete control over their own expenditure. Then a thousand troops would be a sufficient garrison for Cape Town; and, in ordinary years, there might be a saving at the Cape, in military expenditure alone, to the amount of at least £200,000 a-year. If, however, public money be to be spent at the Cape of Good Hope, it would be better both for this country and for the colony that it should be spent on emigration. I believe that about £10 a-head is sufficient to defray the expense of sending emigrants to that colony. Now, the direct military expenditure by Great Britain on account of the colonies is at the rate of £60 a-year for each soldier in the colonies. Therefore, if we were to reduce our military force at the Cape by 1,500 men, and were to send there, in their stead, 9,000 emigrants a-year, there would, in all probability, be a reduction in our expenditure on account of that colony; and the rapid increase of population would enable the colonists to guard their frontier effectually against the Kafirs.

From the Cape of Good Hope I proceed to the Mauritius, which may likewise be looked upon, to a certain extent, as a commercial colony. The declared value of the exports to it of British produce was £285,000

in 1844. The whole expenditure by Great Britain, in 1843-44, on account of this colony, was £92,000; I should think that it costs somewhat more at present, for we have about 2,000 troops at the Mauritius, and we are going to improve the defences of the island, at the estimated cost of £150,000. Where is the necessity for keeping this amount of military force at the Mauritius? Is it in order to keep down the planters? It is true they are discontented and overburdened by taxation; but the best plan would be to bestow upon them free institutions, and to give them complete control over their expenditure; then a thousand men (which was about the amount of the military force in that colony in 1826) would be an ample garrison.

From the Mauritius I should proceed to Hong Kong; but first, I will stop for a moment at Ceylon. As Ceylon is neither a military station nor a colony, properly so called, but is a subjugated territory of the same kind as our possessions in India, it appears to me that it would be better governed by the East India Company than by the Colonial-office, in which case we should have nothing to pay for the troops in that island. In 1843-4 the military expenditure by Great Britain amounted to £110,000, in addition to a military expenditure by the colony of nearly £70,000. At present the military force in Ceylon consists of 4,000 troops, including colonial corps. Now, £110,000 a year is a heavy price to pay for a colony, the declared value of our exports to which did not exceed £240,000 in 1844: it is true, however, that the import trade from Ceylon, especially of coffee, is rapidly increasing in value.

I now arrive at Hong Kong. From the 1st of May, 1841, when we took possession of that island, up to the 30th September, 1846, we have expended upon it £314,000, exclusive of the sums derived from the local revenue. I find in the Navy, Ordnance, Commissariat, and Miscellaneous Estimates for this year, that Hong Kong appears under sixteen different heads, for sums amounting in all to £94,514; to which must be added the expense of paying, clothing, &c., of 1,200 troops, which must amount to at least £40,000 a year. Therefore Hong Kong bids fair to be a costly colony, as, indeed, it ought to be, when the salary of the governor is £6,000 a year. As the East India Company has a fleet of its own to defend its own possessions, the greater portion of this expenditure is on account of the trade with China, which, on the average of the last four years, did not exceed £2,000,000 a year in British produce and manufactures.

Next, I have to inform the House that Labuan appears this year for the first time in our estimates (Mr. Hume: "Ha, ha," laughter), as yet only in the miscellaneous estimates for the sum of £9,827, £2,000 of which is the salary of his Excellency the Rajah Brooke, of Sarawak (Mr. Hume: "Ha, ha," laughter), to whose dominions in Borneo we have this year appointed a consul at the salary of £500 a year. Now, as in

these matters the first step is all the difficulty, we may expect in a year or two to see Labuan, Sarawak, and perhaps in their train some half-dozen other Borneon principalities, holding conspicuous places in the army, navy, ordnance, as well as miscellaneous estimates. Then we shall build barracks and fortifications, and garrison them with a few troops. The troops will create a demand for a small quantity of British produce and manufactures. To protect the trade thus arising, a ship or two of war will be stationed in the neighbourhood. Thus, in proportion to the increase of the public expenditure will be the increase of the traffic, till at length we shall be informed that the British merchant is carrying a flourishing commerce with these settlements, at the usual cost to the nation, of ten shillings in every pound sterling of her exports. This is the most approved Colonial Office fashion of colonizing and creating a colonial trade, very different from the old English mode.

I will now conclude the catalogue of the military stations with the Falkland Islands. On that dreary, desolate, and windy spot, where neither corn nor trees can grow, long wisely abandoned by us, we have, since 1841, expended upwards of £35,000; we have a civil establishment there at the cost of £5,000 a year; a governor who has erected barracks and other "necessary" buildings, well loop-holed for musketry; and being hard up for cash, he issued a paper currency, not, however, with the approbation of the Colonial Office.

Thus it appears that our twelve military stations and Ceylon contain about 22,000 troops; and that portion of their civil and military expenditure which is defrayed by Great Britain amounts to at least £1,300,000 a year, exclusive of extraordinary expenditure for Kaffir wars, &c., which, on the average of the last ten years, may be put down at much more than £100,000 a year. To these sums must be added a portion of the cost of the four large fleets which are stationed at or in the vicinity of the military stations; namely, on the Mediterranean, the African, the Cape, and the Chinese stations. These fleets consist at present of 93 ships, with a complement of 18,000 men, and must cost a million and a half a year for wages and victuals of crews, and wear and tear of vessels.

What I propose to the House is this: to withdraw our military protection from the Ionian States; to dispense with our stations and fleet on the west coast of Africa; to reduce our establishments at the Cape and the Mauritius, and to bestow on these colonies free institutions; to transfer Ceylon to the East India Company; to keep a sharp watch over the expenditure for Hong Kong, Labuan, and Sarawak; and to acknowledge the claim of Buenos Ayres to the Falkland Islands. Then 10,000 men, instead of 22,000, would be sufficient to garrison the military stations in the following manner: 6,000 for Malta and Gibraltar; 4,000 for Bermuda, the Cape, the Mauritius, and Hong Kong. If this were

done, there would be a reduction in military and naval expenditure to the amount of at least a million a year for the military stations alone.

I now come to the colonies, properly so called, which have been planted in North America, the West Indies, and Australasia. For what purposes, I ask, were colonies originally planted by England? What benefit does this country derive from her dominion over her colonies? Our ancestors would have answered these questions in the following manner. They would have told us how a little more than two centuries ago some of the inhabitants of this island, being uneasy at home, had migrated to America; they were prudent and energetic men, of the true Anglo-Saxon breed, which is best fitted to wage war with the savage and the forest; and being left alone, they flourished; and in the course of a few years, without costing one farthing to the country, they became a numerous and a thriving people. Then the shopkeepers and other traders of England wished to secure their custom, and, according to the notions of the day, they petitioned Parliament that the colonists should be confined to the English shop; first, for buying all the goods they wanted in Europe; secondly, for selling all such parts of their colonial produce as the English traders might find it convenient to buy. Parliament acceded to this request. Thence the old system of colonial monopoly, which was the sole end and aim of the dominion which England assumed over her colonies. To maintain that monopoly and that dominion, vast sums were expended, costly wars were waged, and huge military and naval establishments were kept up; but it was always supposed that the expense thus incurred was repaid by the benefits derived from the monopoly of the colonial trade. I will not attempt to strike the balance of past profit or loss. It is evident, however, that with the abandonment of colonial monopoly, the arguments in favour of colonial dominion, which were derived from that monopoly, must likewise be abandoned. Now to monopoly free trade has succeeded, and the last relic of the colonial system, in the shape of the navigation laws, is about to perish. Our colonies are free to trade with whom they will, and in what manner they will. Therefore they will only trade with us when they can do so more profitably with us than with other countries. Therefore, as far as trade is concerned, the colonies are become virtually independent states, except that they may not enact laws to restrain their inhabitants from buying from us, or selling to us, if it be for their interest so to do. It is evident, however, that if the colonies were independent states, they never would be so foolish as to prevent their inhabitants from selling to us; but it may be said that they might be so foolish as to prevent their inhabitants from buying from us. If this be all the mischief which, as far as trade is concerned, is to be apprehended from the colonies becoming independent states, then it follows that all the benefit which, as far as trade is con-

cerned, we derive from the sums which we expend on colonial dominion, consists in the power which we thereby possess of averting the possibility of the colonies enacting hostile tariffs against our produce and manufactures. The amount of this benefit must evidently depend upon the value of our export trade to the colonies. Now, the declared value of the export of British produce and manufactures to the North American, West Indian, and Australasian colonies for the year 1844 (the last complete return) was about £6,000,000.; the direct expenditure by Great Britain, on account of those colonies, cannot be less than two millions sterling a-year. I ask, is it worth our while to spend a couple of millions a-year to guard against the possibility of a diminution in an export trade of £6,000,000 a-year. I put this question to any mercantile man: would it be worth his while to pay 6s. 8d. in the pound on the value of his goods, to secure that those goods shall freely compete with the goods of other nations in the markets of the North American, West Indian, and Australasian colonies? And if it be not worth his while, is it worth our while to pay it for him? This is undoubtedly a great and marvellous empire, in many respects unparalleled in history, but in no respect more marvellous than with reference to its colonies. Every other nation has attempted, in some shape or form, to draw tribute from its colonies; but England, on the contrary, has paid tribute to her colonies. She has created and maintained, at an enormous expense, the extensive colonial empire for the sole purpose of buying customers for her shopkeepers. This (as Adam Smith has justly observed), was the project, not of a nation of shopkeepers, but of a Government influenced by shopkeepers. It may be said that I have omitted to consider the value of the import trade from the colonies, which is equal to the value of the export trade; but no one fears that the colonies would, if they became independent states, refuse to sell to us; they would only be too happy so to do. We do not, therefore, require, colonial dominion in order to buy from them; and, in fact, we do not really require colonial dominion even to sell to them; for if we buy from them, it would be for their interest to receive payment in our produce and manufactures, if cheaper than those of other countries, and that interest would in the long run prevail. It does appear to me, therefore, to be a manifest absurdity to spend vast sums of money on colonial dominion, for the purpose of securing free trade with the colonies. I now ask, is this large colonial expenditure by Great Britain necessary in order to maintain the connexion between Great Britain and her colonies, which shall secure free trade between them, and the other benefits which I do believe Great Britain may derive from her colonies? I must be permitted to consider these questions separately with regard to each of the three great divisions of the colonies.

In the North American colonies, the military force amounts to about 9,000 men. The military expenditure by Great Britain for the year

1843-4, was £698,000. The civil expenditure by Great Britain for the same year was £34,000.; this sum included an annual charge of about £12,000 for the North American clergy, and of about £15,000 for the Indian department. The whole direct expenditure by Great Britain for that year was returned to Parliament at £736,691. To this sum must be added a portion of the expense of the packet service, which costs £145,000 a-year; and a portion of the expense of the fleet on the North American and West Indian station, which, on the average of the last ten years, must have cost £300,000 a-year. When it is remembered that, in addition to these sums, Parliament specially granted, in the interval between 1838 and 1843, £2,096,046 on account of the insurrection in Canada; in 1846, £50,000 to sufferers by fire at Quebec and St. John's; and in other years, smaller sums on account of the Rideau Canal, canal communication in Canada; militia and volunteers in Canada, &c. &c., which in the interval between 1835 and 1847, amounted to £193,174, it follows that the North American colonies have cost Great Britain at the rate of at least a million sterling a-year during the last ten years, and at present they must cost at least £800,000 a-year. Now, on the average of the five years ending with 1844, the declared value of British produce and manufactures exported to the North American colonies was £2,600,000 a-year. Is it worth our while to pay £800,000 a-year, that is, 30 per cent. on these exports, to guard against the possibility of some diminution in that trade? For what purpose do we keep 9,000 troops in North America? Is it to protect the colonists against the United States? But if they are loyal at heart, they are strong enough to protect themselves; if they are disloyal, twice 9,000 men will not keep them down. But suppose they were to separate from us, and to form independent states, or even to join the United States, would they not become more profitable as colonies than they are at present? The United States are, in the strict signification of the word, still colonies of Great Britain, as Carthage was a colony of Tyre, and the cities of Ionia and Sicily were colonies of Greece; for the word colony does not necessarily imply dependency, but merely a community composed of persons who have removed from one country and settled in another, for the purpose of cultivating it. Now, our colonies (as I will term them) of the United States are in every point of view more useful to us than all our other colonies put together. In 1844, we exported to the United States produce and manufactures to the value of £8,000,000; an amount equal to the whole of our real export trade to all our colonial dominions, which we govern at a cost of £4,000,000 a-year; while the United States cost us for consular and diplomatic services not more than £15,000 a-year.; and not one ship of war is required to protect our trade with the United States—in fact, a British ship of war is very rarely seen off the coast of the United States. Again, more emigrants go directly from this country to the United States than to all our other colonies put

together. In the ten last years, according to the returns of the Emigration Commissioners, 1,042,000 emigrants left this country, of which number 552,000 went directly to the United States; how many went indirectly through Canada, I cannot undertake to say. Last year 251,000 persons emigrated from Great Britain to North America, 142,000 of whom went directly to the United States, the remaining 109,000 to the colonies. At present, it is considered that colonies are chiefly useful as affording markets for our produce, and outlets for our population. It is evident that in both these respects, independent colonies are as useful as dependent ones. I do not, however, propose to abandon the North American colonies; but if we are compelled to choose between the alternative of the continuation of the present vast expenditure and that of abandoning these colonies, it is evident that the latter alternative would be the more profitable one in an economical point of view. But I maintain, that if we govern our North American colonies as we ought to govern them, follow out rigorously the principle of responsible government, and leave them to manage their own affairs, uncontrolled by the Colonial office, we may with safety diminish our military force and expenditure, and they will willingly continue to be our fellow-subjects.

In the West Indies the military force amounts to about six thousand men. In the year 1843-4, the military expenditure was £513,386; the civil expenditure was £74,462. This civil expenditure consists of an annual charge of £20,300 for ecclesiastical establishments; of about £18,000 for the salaries of governors; and of about £35,000 for the salaries of stipendiary magistrates. The total amount of the direct expenditure incurred by Great Britain on account of these colonies for 1843-4, has been returned at £593,834, or within a trifle of what it was in 1835-6. But in order to form a fair estimate of the whole cost of these colonies, we should add to this direct expenditure a portion of the expense of the fleet on the North American and West Indian station, which fleet, as I have already stated, must cost the country at least £300,000 a-year; a portion likewise of the expense of the packet service to and from the West Indies, which is contracted for at £240,000 a-year; likewise something on account of the risk of the non-repayment of loans, such as £50,000 this year on account of the hurricane in Tobago; £166,000 which the Colonial Office, somewhat usurping the ordinary functions of Parliament, promised without consulting Parliament to British Guiana and Trinidad in February last; and the £50,000 with which the noble lord the member for the City of London has vainly hoped to appease the West Indian interest. How much of these loans will ever be repaid? And we must likewise add the cost of landing captured negroes free of charge in the West Indies; I have already mentioned the cost of capturing them. I am afraid, therefore, that our West Indian colonies will in future cost this country directly much more than £700,000 a year, which is just

one-fourth of the declared value of our annual exports to these colonies, on the average of five years ending 1844. And that export trade is decreasing, and will decrease; for there can be no doubt that the value of West Indian property has greatly diminished. I will not trespass on the patience of the House by making any observations on the state of the West Indies, as that subject was so fully discussed a short time ago. I will merely remark, that some West Indian proprietors have said that we must either restore the value of their property by protecting their sugar, or they will throw off our dominion. Now, if we choose between these alternatives there can be little doubt which would be the cheaper; for if we were to abandon those colonies, there would be a direct saving of £700,000 a year, and no protecting duty on sugar. In fact, if we were to make them a present of ten millions sterling, on condition of their becoming independent states, we should be gainers thereby to the amount of at least £350,000 a year. Though I utterly disbelieve that the West Indian colonies can ever be of the slightest value to this country, as colonies, for their climate is quite unsuited to our race, and they will, in all probability, become negro islands, like Haiti; though they have been the most costly, the most worthless, and the worst managed of our colonies—a perpetual drain on the pockets of the people of England—yet I do not propose to abandon them, except at the express wish of the colonists. I should merely propose to reduce our military force to half its present amount, and to effect a saving of about £300,000 a year.

In the Australian colonies, including New Zealand, the number of troops must at present be about £5,000 men; and the military expenditure by Great Britain must amount to about £270,000 a year. The civil expenditure by Great Britain for this year, according to the miscellaneous estimates, will be about £30,000. Therefore, the direct expenditure by Great Britain on account of these colonies must amount to at least £300,000 a year, exclusive of such items as £15,402 for the abandonment of Lord Stanley's colony of North Australia; £214,936, which we first lent, and then gave, in consequence of Colonel Gawler's extravagances in South Australia; and I know not how much for the follies of Captains Hobson and Fitzroy in New Zealand, who involved us in a war with the natives, which is still going on. The bill has not yet been sent in. Will £500,000 cover it? I am afraid not; for portions of three regiments are quartered in that colony; and there are three or four ships of war, with a complement of about 800 men, stationed off the coast; these ships must cost for wages, provisions, wear and tear, &c., about £80,000 a year. Now, the declared value of our exports to the Australian colonies, on the average of the five years ending 1844, was only £1,000,000 a year; putting down our expenditure only at £300,000 a year, that expenditure would amount to 30 per cent. on the value of our exports. Now, it is certain that not one single soldier is required in Australia except to keep the

convicts in order ; nor would one soldier have been required in New Zealand had it not been for the preposterous mismanagement of that colony by the Colonial Office. Supposing, however, that 2,000 men were required for the convict service in Van Diemen's Land, and 1,000 men for New Zealand, the military force in the Australian colonies might be reduced to 3,000 men.

Thus it appears that the military force in the North American, West Indian, and Australian colonies amount to about 20,000 men, and the direct expenditure by Great Britain, on account of these colonies, to about £2,000,000 a-year. I should propose to reduce that force to 10,000 men, whereof 4,000 men would be sufficient for North America, 3,000 for the West Indies, and 3,000 for Australia ; and then, in my opinion, less than £1,000,000 a-year would suffice to defray the expenses of those colonies to Great Britain.

Therefore, the whole reduction which I should propose at present to make in that portion of the colonial expenditure which is defrayed by Great Britain is £2,000,000 a-year. I should effect that saving partly by a reduction of 22,000 men in the military force in the colonies ; partly by a reduction of the naval and civil expenditure on account of the colonies ; and partly by removing the causes which have led to Canadian rebellions, Kafir and New Zealand wars, and the like. If this were accomplished, still, however, the colonies would continue to cost the large sum of £2,000,000 a-year ; but I believe that a further reduction might ultimately be made on account of the commercial colonies ; indeed, they might cost us next to nothing, if we gave them complete control over their own affairs, on condition that they should pay their own expenses. The military stations, however, must always be a source of great expense, and if we retain them we must be content to pay dearly for our whistle.

Before I leave this subject I must call the attention of the House to a Treasury minute of 10th June last, in which my Lords of the Treasury complain of the delay in rendering, and especially in auditing colonial accounts. My Lords instance those from Ceylon, the Mauritius, the Falkland Islands, Van Diemen's Land, and New South Wales ; and the commissariat accounts from China, the Cape of Good Hope, Van Diemen's Land, and New South Wales, to which I will add those from St. Lucia, South Australia, and Western Australia. My Lords state that these accounts are so much in arrear that they cannot admit the sufficiency of the reasons assigned for that delay. The delay has certainly been very extraordinary. I find that there are at present in the Audit-office the unaudited accounts of ten years from the Mauritius ; of eight years from the Cape of Good Hope ; of six years from Ceylon ; and of four or five years from the other colonies to which I have referred. It is evident that with such delay it is impossible to exercise an effectual check over colonial expenditure.

I shall now proceed to the consideration of that portion of the colonial expenditure of the British Empire which is defrayed by the colonies themselves. A return has just been presented to the House of that expenditure for the last year in which it could be made up. In most instances it is for the year 1845; it is not materially different from the returns for previous years; I may, therefore, without any considerable inaccuracy, assume that it represents the ordinary annual expenditure by the colonies, and especially for the year 1845. From that return it appears that the total expenditure by all the colonies (excepting Ceylon and the stations on the west coast of Africa, for reasons which I will presently state; and likewise the Ionian Islands, from which there was no return), was about £3,350,000 for the year 1845. The population of these colonies was about £3,400,000; therefore the annual expenditure was at the rate of 19s. 8d. per head of the population. The rate of expenditure, however, varies considerably in different colonies, according to the form of local government. It is greater or less, according as the colonists have less or more control over their own expenses. This is a most important fact, to which I wish to call the especial attention of the House. I have instituted a comparison between the rate of expenditure of those colonies which have, and those which have not representative assemblies. From that comparison I have omitted Ceylon; because Ceylon is not a colony properly so called, but belongs to the class of our Indian possessions, and it is evident that a rate of expenditure which might be considered trifling for a population composed chiefly of Europeans, might be excessive for a population of the Cingalese and Veddahs of Ceylon. I have likewise omitted the colonies on the west coast of Africa; for there is no account of their population on which any reliance can be placed; and the Ionian Islands have also been omitted, because, as I have already said, their expenditure has not been returned to Parliament in the return in question. With these omissions, I find that the rate of expenditure of the colonies with representative assemblies is less than one-half of the rate of the expenditure of the colonies without representative assemblies. The colonies with representative assemblies have a population of about 2,580,000, and their expenditure in 1846 was £1,930,000, or at the rate of 14s. 11d. per head of their population. On the other hand, the population of the colonies, without representative assemblies, was about 820,000, and their expenditure in 1845 was £1,420,000, or at the rate of £1 14s. a-head of their population, or 18s. 7d. a-head more than in the colonies with representative assemblies. I am convinced that this great increase of the rate of expenditure in the Crown colonies is mainly to be attributed to the want of self-government; for it is most apparent when the rate of expenditure in each class of colonies is examined and considered separately.

The rate of expenditure is the lowest in the North American colonies, where there is the greatest amount of self-government. In fact, since the last insurrection in Canada, and the establishment of the doctrine of responsible government, Canada has become, in most respects, an independent state, except as far as the civil list is concerned, and except that it is now and then subjected to some mischievous and foolish interference on the part of the Colonial-office. Now the expenditure of the North American colonies in 1845, was £1,134,000, their population was

1,700,000 ; therefore the rate of expenditure was 13s. 4d. per head of the population, or 1s. 7d. less than than the average rate of the colonies with representative assemblies. But it should be remarked, that of the £1,134,000 expended in 1845 by the North American colonies, £500,000 was an extraordinary expenditure by Canada, on account of new works and buildings, a large portion of which was defrayed by a loan. If a portion of this loan be omitted, as it ought to be, from the annual expenditure, then the rate of expenditure by the North American colonies for the year 1845 would have been nearly the same as it was for the year 1842, when it amounted to about 9s. a head of the population. Though this rate of expenditure is low, as compared with other colonies, yet it is about 30 per cent. higher than that of the United States for similar purposes. The difference mainly arises from the high scale of salaries paid to the higher functionaries in the North American Colonies. Generally speaking, those functionaries receive from three to four times the amount of the salaries of similar functionaries in the United States. For instance, in the Canadas, with a population of 1,200,000, the governor is paid £7,000 a year ; in the United States, the President has only £5,000 a year, and no governor has more than £1,200 a year ; in the State of New York, with a population of 2,600,000, the governor only receives £800 a year. Again, the chief justices of Upper and Lower Canada are paid £1,500 a year each, while the chancellor and chief justices of the state of New York receive only £800 a year each. The puisne judges of Canada receive £1,000 a year each ; those of New York only £200 a year each. The governor of Nova Scotia is paid £3,500 a year ; the governors of New Brunswick and Newfoundland are paid £3,000 a year each. In Massachusetts, with a population much larger than that of the three last colonies added together, the salary of the governor is only £500 a year. In fact, the four North American colonies which I have just mentioned, pay £2,500 a year more for the salaries of their four governors, than the thirty states of the Union do for their thirty governors. Now in the colonies, the salaries are fixed by the various civil lists. These civil lists, being removed for a series of years from the control of the representative assemblies, are perpetual causes of quarrelling and discontent ; and there is always a dispute going on between the Colonial-office and some colony or other on this subject, which frequently leads to the most unpleasant results. For instance, the dispute about the civil list of Canada was one of the causes which ultimately lead to the insurrection in that colony ; and at present the Colonial-office is involved in a civil list quarrel with British Guiana. In all these quarrels, the object of the office is to keep up the pay of its functionaries, and the object of the colonists is a reduction of expenditure. There can be no doubt that the salaries of the higher functionaries in the colonies are excessive, as compared to the standard of the United States, which is the usual standard of comparison in the colonies. For the salaries of the governors of the thirty states of the Union amount in all to but £14,000 a year ; therefore the average is £460 a year for the salary of each governor. Now there are eighteen British colonies which pay for their own governors ; their salaries amount in all to £72,000 a year ; therefore the average is £4,000 a year for the salary of each of these governors, or nearly nine times the rate of pay in the

United States. In fact, nine out of the eighteen governors in question receive as much as, or more than, the President of the United States. For instance, the governors of Canada, the Mauritius, and Ceylon, receive £7,000 a year each; the governor of Jamaica has £6,500 a year, and the governors of Gibraltar, Malta, the Ionian Isles, the Cape of Good Hope, and New South Wales, have £5,000 a year each. I do not think this rate of pay is too high for noble lords and other gentlemen of rank and connexion, when they undertake the duties of governors of the colonies; but if we are determined to employ such persons in the colonies, we ought to pay for them ourselves. On the other hand, if we insist upon the colonies paying their governors, it appears to me that, with the exception of the military stations, we should permit the colonies to elect their own governors and other functionaries, and to pay them what salaries they think fit. Such was, in olden times, the constitution of our colonies of Rhode Island, Connecticut, and Massachusetts; and the honour and distinction attached to the office of governor would induce the best men in the colonies to serve for moderate salaries. If, however, the colonists were to choose, in any particular case, a person unfit to be a governor, they would be the sufferers; they would have no one but themselves to blame: but, as I will presently show, it would be difficult for them to make a worse choice than the Colonial-office generally makes.

To return to the question of the comparative rates of expenditure in those colonies which have, and those colonies which have not, representative governments. In the West Indies the colonies with representative assemblies are Jamaica, the Leeward Islands, the Windward Islands (with the exception of St. Lucia), and the Bahamas. Their population is about 700,000; their expenditure in 1845 was £450,000, or at the rate of 12s. 10d. per head of their population; the rate of Jamaica was 13s. Now compare this rate with that of the West Indian colonies without representative governments, namely, St. Lucia, Honduras, Trinidad, and British Guiana (the combined court of which cannot with any propriety be termed a representative assembly); their population is about 190,000; their expenditure, exclusive of the cost of immigration, was £284,000, or at the rate of £1 9s. a head, or more than twice as much as that of the West Indian colonies which have representative assemblies. The salaries of the higher functionaries in the West Indian colonies are all excessive, as compared with the standard of the United States. Twelve governors and lieutenant governors receive £29,000 a-year, £16,000 of which are paid by the colonists to five governors. As I have already observed, the Colonial-office is involved in a civil list dispute with British Guiana. In consequence of the distressed condition of that colony, at the close of last year the elective members of the Court of Policy proposed a reduction of twenty-five per cent. upon all salaries above 700 dollars a-year. The Colonial-office refused to accede to this proposal; and the governor carried the estimates for the year in the Court of Policy by the exercise of his double vote. The Combined Court then refused to vote the supplies for the period required by the governor. The Colonial-office has retaliated upon them for this conduct by stopping immigration to British Guiana, and by refusing the usual licenses to carry liberated negroes from Sierra Leone to that colony. This unexpected proceeding has occasioned con-

considerable inconvenience and loss to various shipowners in this country, who complain that no reliance can be placed upon the Colonial-office with its perpetually shifting regulations.

The Cape of Good Hope and the Mauritius have each of them about the same population, namely, 160,000, and being Crown colonies, their rate of expenditure is about the same as that of the Crown colonies of the West Indies, namely, £1 7s. a head; they are grievously taxed, especially the Mauritius. As I have already said, the governor of the Mauritius has £7,000 a-year, and the governor of the Cape has as much as the President of the United States.

It may be said that the rate of expenditure is higher in the Crown colonies, because, generally speaking, those colonies are more thinly peopled than the colonies with representative assemblies. It is perfectly true that, everything else being the same, the rate of expenditure in a thinly peopled territory will generally exceed that of a thickly peopled one. But the Crown colony of the Mauritius is four times as densely peopled as Jamaica, yet the rate of expenditure in Jamaica per head of the population is less than one-half of what it is in the Mauritius. Again, the Crown colony of Malta is one of the most densely peopled spots on the face of the earth, yet the rate of expenditure is 16s. 6d. a head of the population, or twenty per cent. more than that of the plantations in the West Indies; or nearly double the ordinary rate of expenditure in the thinly peopled North American colonies. Again, Malta is more than twice as thickly populated as the Ionian States, but those states have a certain amount of self-government, and their rate of expenditure in 1840 (the last return which I have been able to get at) was 14s. 3d. a head, or 2s. 3d. a head less than that of Malta.

Ceylon is the only apparent exception to the rule, that the expenditure of colonies governed by the Colonial-office is greater than that of self-governed colonies. According to Sir Emerson Tennent, the population of Ceylon in 1846 must have amounted to 1,500,000, and the expenditure in that year was £498,000, or at the rate of 6s. 7d. a head of the population. It is true this rate of expenditure is lower than that of any other colony, yet I believe it will be found to be extravagant when the nature of the population is considered; for it ought to be compared with that of the territories governed by the East India Company, which are inhabited by an analogous population, but are locally governed by men carefully selected on account of their special aptitude. The population of those territories is said to be about 93,000,000, and the expenditure on the average of the five years ending 1844 was £20,000,000 sterling, therefore at the rate of 4s. 3d. a head of the population, or one-third less than that of Ceylon. There can be no doubt that if Ceylon were transferred, as I propose, to the East India Company, it would be more economically governed than it is by the Colonial-office.

Lastly, with regard to the Australian colonies. New South Wales is the only one which has a representative assembly of any kind. It commenced its existence in 1843, and immediately caused an extraordinary diminution in the expenditure. In 1841 the free population of New South Wales amounted to about 102,000, and the ordinary expenditure, exclusive of immigration, was £350,000, or at the enormous rate of £3 4s. a-head of the population. In 1843 the Representative Assembly at once

diminished the expenditure for the subsequent year by £60,000; and in 1846, when the free population amounted to 178,000, the expenditure was only £254,000, or at the rate of £1 8s. a-head of the population. This extraordinary reduction in the rate of expenditure may be attributed, to a certain extent, to immigration; but the reduction in the positive amount of expenditure can be distinctly traced to the commencement of local self-government in 1843.

Compare the rate of expenditure of New South Wales with that of the neighbouring colony of Van Diemen's Land, which has in vain petitioned for a representative assembly. In 1842 the free population of that colony amounted to 37,000, and on the average of the four years ending with 1844, the expenditure, exclusive of immigration, was £161,000, or at the enormous rate of £4 6s. a-head. This rate of expenditure was not very different from that of the kindred colony of New South Wales prior to the establishment of representative government; but it was more than three times that of New South Wales after the establishment of a representative government. It must, however, be acknowledged that the difference in the rate of expenditure of the two colonies may be attributed in part, though certainly not altogether, to the abolition of transportation to New South Wales, and to its continuance, in its worst form, to Van Diemen's Land. The house may remember the appalling description which was given last year of the loathsome moral state of the convict population of that colony and its dependency, Norfolk Island; of their hideous crimes; of their frightful diseases; and of their atrocious murders. It was shown that the unhappy state of that colony was brought about partly by the negligence of the then Secretary of State for the Colonies, Lord Stanley; partly by the mismanagement of the then Governor of Van Diemen's Land, Sir Eardly Wilmott; and partly by the misconduct of the then commandant of Norfolk Island, Major Childs. In consequence of these horrid disclosures, it was announced last year to the Governor of Van Diemen's Land, Sir W. Denison, that it was the intention of the Government that transportation should be discontinued altogether, and that announcement was received with great satisfaction in the colony. Unfortunately, it now appears that transportation is to be renewed to Van Diemen's Land, though in a mitigated form. The colonists will be bitterly disappointed and exasperated when they receive this information. At present they are discontented; for to meet the vast expenditure of the colony, taxes have been imposed which the judges have pronounced to be illegal; and one of the Governors so deciding has been removed by the Governor, as the colonists believe, in consequence of his decision; a belief which, from the statements made to the house by the honourable gentleman the Under Secretary of State for the colonies, appears to be unfounded. The colonists, however, will have every reason to be dissatisfied with the renewal of transportation, which will mar their prospects, and make them for ever the plague-spot and reproach of Australasia.

In the other Australian colonies which have not representative governments, I am unable to state with accuracy the rate of expenditure per head of the population. In South Australia, at one time, it exceeded £10 a-head per annum; and the colony became utterly bankrupt through the extravagance of its governor, Colonel Gawler. We had to liquidate

its debts, partly by a gift in 1842 to the amount of £214,936, and by a loan of £85,000. This loan will be repaid, because South Australia is becoming rich, in consequence of the discovery of mines. With regard to these mines, it is said that the Colonial Office has created great dissatisfaction in this colony by reserving a royalty of one-fifteenth of their gross produce. The house is probably not aware that almost every year the Colonial Office makes some change in the management of the waste lands of the Australian colonies, which affects, to a greater or less extent, the value of all landed property in those colonies. For instance, with reference to minerals. Originally all minerals were reserved to the Crown, and only the surface of the soil was conveyed to the purchaser. In one instance, however, Lord Bathurst, when Secretary of State for the Colonies, gave all the coal in New South Wales to one company. In consequence of these reservations, no one had any interest in searching for or in discovering mines, therefore no mines were discovered, or, if discovered, they were carefully concealed. When, however, the noble lord the member for the city of London became Secretary of State for the Colonies, he, with his usual good sense, at once perceived the impolicy of such reservations, and under his rule all minerals were conveyed to the purchaser of the soil. Then mines were discovered, especially in South Australia; and then, to the astonishment of most persons, the Colonial Office determined upon reserving a royalty upon all future mines.

Mr. Hawes: No, no.

Sir William Molesworth: What! Do you mean to say that you have in no instance reserved a royalty?

Mr. Hawes: I mean to say that the late Colonial Secretary, Lord Stanley, did it.*

Sir William Molesworth: Well, it matters not who did it. The consequence is, that the previously-discovered mines, which are nearer the coast, and therefore can be worked with less expense, will have to pay nothing; whilst the subsequently-discovered mines, which are further from the coast and therefore more expensive to work, will have to pay a royalty of $6\frac{2}{3}$ per cent. on their gross produce. Such a measure is bad on economical grounds, and bad also in policy; for sound policy requires that this country should interfere as little as possible in the internal affairs of its colonies, and, above all, as little as possible with their pockets. The policy of the noble lord (the member for the City of London) was the right and statesman-like one;—sell your land to the colonists and have done with it. Signeuries and royalties are relics of feudalism, wholly unsuited to colonies. Their establishment is another instance of the utter ignorance of men and things which the Colonial-office generally displays in its administration of the colonies; and, to crown the absurdity, the emigration commissioners report that these royalties are, at present, not worth collecting in South Australia.

Swan River, *alias* Western Australia, has a delicious climate, much good land, plenty of coal, and is well situated for commerce; it might have proved a flourishing colony by this time, but it was over-laid at its birth by the Colonial-office. Its expenditure exceeds its income; and we

* Mr. Hawes subsequently stated that these royalties had been abandoned a few days before this speech was made; a fact which had not previously been communicated to the House.

have to pay seven or eight thousand pounds a year for its civil government.

Lastly, New Zealand. I do not know the rate of expenditure per head of the population of that colony. Its expenditure, however, far exceeds its income. We annually vote between twenty and thirty thousand pounds a year for its civil government, exclusive of the bill which we shall have to pay for Maori wars. In the course of the last two years, we have voted that £236,000 shall be lent to the New Zealand Company, which I hope will be repaid some day or other. In that colony, what with imbecile governors in the beginning, what with constitutions proclaimed and suspended, what with quarrels with the natives, what with missionaries and land sharks, there has been a state of the most extraordinary confusion; yet, I believe, through the indomitable energy of our race, New Zealand will ultimately become a flourishing colony, the Britain of the Southern Seas. The House may remember that in 1846 the Colonial-office imagined a nondescript constitution for New Zealand, and sent it off post haste to that colony. It was to divide New Zealand into two provinces—New Ulster and New Munster. Each was to have a representative assembly. When the constitution arrived, Governor Grey refused to bestow it on New Ulster, on the grounds that it would enable the British population to legislate for and tax the natives. Therefore Governor Grey suspended the constitution of New Ulster till he could receive further instructions; but he expressed his opinions in very strong terms that the inhabitants of New Munster were fit for a constitution. When this intelligence reached the Colonial-office, Lord Grey immediately proposed to Parliament a bill (which was passed about three or four months ago) to suspend the constitution of both provinces. Now I infer, from late accounts from the colonies, that New Munster has obtained its constitution; and perhaps its representatives will be assembled, and will be hard at work legislating, when orders will arrive from England to suspend their constitution, and to dismiss them with ignominy. A curious farce is the history of the management of this colony by the Colonial-office. This same nondescript New Zealand constitution was sent by the Colonial-office to New South Wales for the colonists to inspect, and to see how they would like a similar one. They have rejected it with scorn and contempt. I am afraid, sir, that the present Secretary of State for the Colonies, notwithstanding his very great abilities, will not be renowned in future history as either the Solon or Lycurgus of Australia.

I think I have sufficiently established my position that, in every portion of the globe, the British colonies are more economically and better governed in proportion as they are self-governed. In North America the various states of the Union govern themselves twenty five per cent. cheaper than the Canadas do, which are to a certain extent under the control of the Colonial Office. In the West Indies the Crown Colonies, which are governed by the Colonial Office, are twice as heavily taxed as the plantations; and in Australia, and in the Mediterranean, the same rule holds good. These facts justify the conclusion at which I now arrive, that the greater the amount of local self-government, and the less the Colonial Office interferes in the internal affairs of the colonies, the more economically and the better the colonies will be governed. In the course of the last ten years petitions, complaining of Colonial Office

government, and praying for representative government, have been presented from the Cape of Good Hope, New South Wales, Van Diemen's Land, Western Australia, South Australia, New Zealand, British Guiana, Trinidad, St. Lucia, and Malta. The prayer of only one of these petitions has been acceded to. New South Wales has obtained a mongrel form of representative government, which must soon be amended, though not in the fashion proposed by the Colonial Office. All the other petitions have been rejected. Now I do not assert that each of these colonies would derive the same amount of benefit from free institutions; but I am prepared to maintain that with representative government every one of them, not excepting the Mauritius, would have been more economically and better governed than they have been or are governed by the Colonial Office.

In saying this I do not mean to speak with disrespect either of past or present Secretaries of State for the Colonies; but there is no essential difference between them; the system is throughout the same, whoever may be the nominal chief. Of that system, however, I do intend to speak with disrespect; and I can quote, in justification of my so doing, some high authorities on this side of the house, who have carefully studied the subject. I mean my honourable friend the member for Liskeard (Mr. C. Buller), the hon. gentleman the member for Sheffield (Mr. Ward), and the noble Earl at the head of the Colonial Office, before he became Secretary of State for the Colonies. As long as that system exists, the majority of the colonies must be ill governed, and their inhabitants discontented; for the Colonial Office undertakes to perform an impossible task. It undertakes the administration, civil, military, financial, judicial, and ecclesiastical, of some forty different communities, with various institutions, languages, laws, customs, wants, and interests. It undertakes to legislate more or less for all these colonies, and altogether for those which have no representative assemblies. It would be difficult enough to discharge all these functions in a single office, if all the colonies were close together and close to England, but they are scattered over the surface of the globe, from the Arctic to the Antarctic pole. To most of them several months must elapse, to some of them a whole year must elapse, before an answer to a letter can be received, before a petition can be complied with, or a grievance redressed. Therefore, orders which are issued from the Colonial Office in accordance with the last advices from a colony are, in innumerable instances, wholly unsuited to the state of the colony when the orders arrive; in some cases, questions which time has settled are re-opened, forgotten disputes are revived, and the tardy interference of the Colonial Office is felt to be a curse even when a wrong is redressed. In other cases, the instructions of the Colonial Office are wisely disregarded by the governors, or rejected with derision by the colonial assemblies, who marvel at the crass ignorance of their transatlantic rulers.

In addition to its other arduous functions, the Colonial Office is required to assist in the vain attempt to suppress the slave trade with Africa; and it has likewise the difficult task of administering a secondary punishment in a penal colony at the antipodes. Now, if it were possible for any mortal man to discharge the duties of such an office, it is evident that he ought to possess, not merely great mental powers, but a long and intimate

acquaintance with the affairs of the different colonies; he should be brought up to the business, it should be the study of his life, and he should be appointed on account of his special aptitude to conduct such business. Is this the rule for selecting Secretaries of State for the colonies? Nothing of the kind. They are generally chosen hap-hazard from the chiefs of the two great political parties in this or the other House of Parliament; and they retain their office, on the average, some eighteen months or so. During the last nine years there have been no less than six Colonial Secretaries,—namely, Lord Glenelg, Lord Normanby, Lord John Russell, Lord Stanley, Mr. Gladstone, and Lord Grey; all of them, I acknowledge, are men of great ability; all of them, I believe, most anxious to use their abilities for the benefit of their country and of the colonies; but I feel persuaded that one-third of them had little or no acquaintance with colonial affairs prior to their acceptance of office; just, therefore, as they were beginning to learn the wants and interests of the more important colonies, and to acquire the first rudiments of colonial lore, they were succeeded by some other statesman, who had to commence his lessons as Secretary of State for the Colonies, and to try his hand in the despotic and irresponsible government of some score or so of dependent states.

In fact, the Colonial Government of this country is an ever-changing, frequently well-intentioned, but invariably weak and ignorant despotism. Its policy varies incessantly, swayed about by opposite influences; at one time directed, perhaps, by the West India body, the next instant by the Anti-Slavery Society, then by Canadian merchants, or by a New Zealand Company, or by a Missionary Society: it is everything by turns, and nothing long; Saint, Protectionist, Free-trader, in rapid succession; one day it originates a project, the next day abandons it; therefore, all its schemes are abortions, and all its measures are unsuccessful; witness the economical condition of the West Indies, the frontier relations of the Cape of Good Hope, the immoral state of Van Diemen's Land, and the pseudo-systematic colonization and revoked constitution of New Zealand.

Such a government might suit serfs and other barbarians; but to men of our race, intelligent and energetic Englishmen, accustomed to freedom and to local self-government, it is one of the most hateful and odious governments that can well be imagined. It is difficult to express the deep-seated hatred and contempt which is felt for the Colonial-office by almost every dependency subject to its sway. If you doubt this fact, put the question to the West Indies and the Mauritius; put the same question to Van Diemen's Land, to New South Wales, to New Zealand, and your other Australian colonies; from all of them you will receive the same answer, and the same prayer to be freed from the control of the Colonial-office. Even the Canadas are not content, though they have responsible government; and though, in most respects, they are virtually independent of the Colonial-office, yet every now and then the Colonial-office contrives to produce irritation by stupid interference in some question of minor importance, such as the regulations of a banking-bill, or the amount of a petty salary.

Though the colonies have ample reason to complain of the manner in which their affairs are administered by the Colonial-office in this country, they have still greater reason to complain of the governors and other

functionaries who are sent by the Colonial-office to the colonies; for, generally speaking, they are chosen, not on account of any special aptitude for, or knowledge of, the business they will have to perform, but for reasons foreign to the interests of the colonies. For instance, poor relations, or needy dependents of men having political influence; officers in the army or navy, who have been unsuccessful in their professions; briefless barristers; electioneering agents; importunate applicants for public employment, whose employment in this country public opinion would forbid; and at times, even discreditable partizans whom it is expedient to get rid of in the colonies; these are the materials out of which the Colonial-office has too frequently manufactured its governors and other functionaries. Therefore, in most cases, they are signally unfit for the duties which they have to perform, and being wholly ignorant of the affairs of the colony to which they are appointed, they become the tools of one or other of the colonial factions; whence perpetual jealousies and never-ending feuds. The governors, the judges, and the other high functionaries are generally on hostile terms. The governors amove the judges, the judges appeal to us for redress; every year a petition or two of this kind comes under the consideration of Parliament. To settle such questions the Colonial-office has just created a new tribunal, composed of an ex-Indian judge and railway commissioner, and of an ex-permanent Under-Secretary of State for the Colonies; the one with little knowledge of Colonial affairs, the other famed for years as the real head of the colonial system, and, therefore, reputed to be the evil genius of the colonies. It would be easy to cite instances which have occurred during the last ten years which would illustrate every one of these positions. I forbear, however, from mentioning names, as the facts are notorious to every one who has taken any interest in Colonial affairs.

It is no wonder that the colonies are discontented, and that they are badly and expensively governed. Is there any remedy for this state of things? I have traced the evil to its source in the colonial system of the Colonial-office. Can that system be amended? It appears to me that the Colonial-office, as an instrument for governing the colonies, must always be far inferior to any mode of self-government by the colonists; for it is evident that at least in ninety-nine cases out of every hundred, the colonists—the men on the spot—must be better judges of their own interests than honourable gentlemen far away in Downing-street can possibly be. It is evident, likewise, that (though the empire at large has a deep interest in the good and economical government of the colonies; though all of us here present are most sincerely desirous that the colonies should be contented and happy), yet we have other things to do besides studying colonial affairs and looking after the Colonial-office; therefore, the Colonial-office is virtually irresponsible. It may play what pranks it pleases; it is only when we have to pay for a Canadian insurrection, or a Kaffir war, that an outcry is raised, and the Colonial-office itself is called to account, and then there is not above a score of us who know anything about the subject, even after a laborious study of the documents carefully prepared for the purpose by the Colonial-office. Remember, likewise, that implicit reliance cannot be placed on those documents. Some, for instance, are long didactic despatches, written for the sole purpose of being presented to Parliament, not in-

tended to produce any specific results in the colonies, but full of well-turned periods, containing lofty sentiments and apparently statesmanlike views, calculated to gain credit for the office, and to satisfy the minds of honourable, ignorant, and confiding members, who soon afterwards forget all about the matter. Again, as a collection of materials for enabling the House to form a judgment with regard to colonial affairs, those documents are not to be trusted, for, generally speaking, they are tainted with partiality, and necessarily so, because they are selected out of a vast mass on account of their supposed importance. Of that importance the Colonial-office is the sole and irresponsible judge: it determines without appeal what shall be produced and what shall be suppressed. In so doing, it must obey the unchanging laws of human nature, and attach greater importance to those documents which confirm its views, and less importance to those which are adverse to its opinions. The former, therefore, obtain its special care, and are sure to be produced; the latter are comparatively neglected, and liable to be forgotten and suppressed; the result is inevitable, namely, partial statements; instances of human fallibility, affording incontestible proofs of the impossibility under which this House labours of forming a correct judgment with regard to colonial affairs. For similar reasons the Colonial-office labours under a similar difficulty, because the statements made to it by the colonial authorities must frequently be of a partial character, and at times wholly untrustworthy; yet always months, and sometimes whole years, elapse before any explanation of those statements can be obtained. Therefore ignorance and responsibility are the characteristic defects of our present mode of governing the colonies. For these defects there is no remedy but local self-government.

Hence I come to the conclusion, that we should delegate to the colonies all powers of local legislation and administration which are now possessed by the Colonial-office, with the reservation only of those powers the exercise of which would be absolutely inconsistent with the sovereignty of this country, or might be directly injurious to the interests of the whole empire. It appears to me that the powers that ought to be so reserved are few in number, and could easily be defined. To determine them, it would be necessary merely to consider what are the benefits which this country may derive from the colonies, and what is requisite to secure the continuous enjoyment of those benefits.

Colonies are useful either as affording markets for our produce, or outlets for our population. To prove their utility as markets, my honourable friend the member for Liskeard, in his most able and admirable speech, in 1843, on systematic colonization, showed that the rate of consumption of British produce and manufactures, per head of the population, was very much greater in colonies than in other countries. Of the correctness of this position there can be no doubt. In 1844, continental Europe, with a population of about 220,000,000 of inhabitants, did not consume more than £24,000,000 worth of our produce and manufactures; whilst our colonies (including the United States), with a population not exceeding 25,000,000, consumed £16,000,000 worth of our goods. Therefore, while the rate of consumption of our goods did not exceed 2s. 2d. a-head in continental Europe, it amounted to 8s. a-head in the United States, and £1 12s. a-head in our other colonies. It must, how-

ever, be admitted, that a considerable portion of our trade with our subject colonies, consists of goods sent to defray the cost of our establishments there. Making, however, every fair deduction on that account, still it cannot be denied that they are excellent markets for our goods. It is very unfortunate, therefore, that they cost us so much as 16s. a head of their population for government and defence, as that sum must absorb the greater portion of, if not all, the profit of our trade with those colonies.

To show the utility of colonies as outlets for our population, I may refer to the reports of the emigration commissioners, from which it appears that in the course of the last twenty years, 1,673,803 persons have emigrated from this country, of whom 825,564 went to the United States, 702,101 to the North American colonies, 127,188 to the Australian colonies, and 19,090 to other places. It would be interesting to know what has been the cost of this emigration, and how it has been defrayed. I cannot put it down at less than £20,000,000 sterling, of which about £1,500,000 were paid out of the proceeds of land sales in the Australian colonies. This emigration has varied considerably in amount from year to year; from the minimum of 26,092 persons in 1828, to the maximum of 258,270 persons last year. If averages of five years be taken, it appears to have gone on steadily increasing in amount; for on the average of the five years ending with 1832, it amounted to 60,000 persons a-year: ending with 1837, to 66,000 persons a-year; ending with 1842, to 86,000 persons a-year; and ending with 1847, to 121,000 persons a-year. Therefore the habit of emigrating is confirmed, and becoming more powerful every day; and therefore colonies are becoming more useful as outlets for our population.

Therefore, free trade with the colonies, and free access to the colonies should, in my opinion, be the sole end and aim of the dominion which Great Britain still retains over her colonies. By keeping these two objects distinctly in view, by bestowing upon the colonies all powers of local legislation and administration which are not absolutely inconsistent with these objects and the sovereignty of this country, I believe that our colonial expenditure might be greatly diminished in amount, and that our colonial empire would flourish and become of incalculable utility to this country.

I do not propose to abandon any portion of that empire. I only complain that it is so little use to us; that it is a vast tract of fertile desert, which costs us £4,000,000 sterling a-year, and yet only contains a million and a half of our race. Would it not be possible to people this desert with active and thriving Englishmen? To cover it with communities composed of men with wants, habits, and feelings, similar to our own, anxious to carry on with us a mutually beneficial trade? In this country, every trade, every profession, and every branch of industry, are overstocked; in every quarter there is a fierce competition for employment. On the contrary, in the colonies, there is an equally fierce competition for labour of every kind. Now, is there any mode of bridging over the oceans that intervene, so that our colonies may be to the United Kingdom, what the backwoods are to the United States? If such a plan could be devised, if it could be carried into execution, it might tend to solve the most difficult economical problems of England and of Ireland.

To carry such a plan into execution, two things would be requisite.

First, funds wherewith to convey the poorer classes to the colonies. How could such funds be obtained? The hon. gentleman the member for Sheffield, the hon. gentleman the member for Gateshead, and my hon. friend the member for Liskeard have, in their numerous and able speeches upon this subject, told us that sufficient funds could be obtained by the sale of waste lands, according to the well-known plan of Mr. Wakefield. I hold the same opinion. I firmly believe that with continuous and systematic emigration, sufficient funds could be so obtained. But I will suppose, for the sake of argument, that they must be obtained, for the present, from some other source. Now, I ask the house to consider, first, that we spend four millions sterling a-year in the colonies on army, navy, ordnance, commissariat, Kafir wars, Canadian rebellions, and the like; secondly, that for half four millions (the sum which I propose to save by a reduction of colonial expenditure) we might send annually to Australia 150,000 persons, and to Canada twice that number. I ask the house, at the expiration of ten or fifteen years, from which of these two modes of expending the public money would the nation derive the greater benefit? Our army, navy, and ordnance cost us at present from six to seven millions sterling a-year more than they did in 1835, when their force was ample for the defence of the empire. What have we to show in return for this enormous increase of expenditure? A Canadian insurrection suppressed, a Kafir war terminated, barren trophies in India, the gates of Somnauth, Hong Kong, Labuan, and the Falkland Islands. What should we have had to show for it had only a portion of it been expended on colonization? A third part of it (the two millions a-year, which I affirm can be spared from our colonial expenditure) would have been sufficient in ten years to double or triple the British population of our colonial empire.

For instance, that sum would in ten years have conveyed a million and a half of our fellow-citizens to Australasia; where the climate is so peculiarly suited to our race, where abundance of food can easily be obtained; there, flourishing and contented, they would have been anxious to purchase our produce and manufactures; wealthy states, worthy of the British name, would have been generated, carrying on with us an enormous trade; self-governed they would have needed neither army nor navy to protect them, and would have gladly defrayed every local expense. That would have been a colonial empire to boast about!

Again, the same sum of two millions sterling a-year would, in ten years, have conveyed to North America, some three millions; say, of Irishmen. With that sum I believe you might have created beyond the Atlantic a new and happy Ireland, so attractive to the Celtic race that they would have migrated in shoals from the old and unhappy Ireland, and thus, perhaps, have enabled you to solve that fearful problem, which neither gagging bills, nor coercion bills, nor alien bills, nor even a repeal of the union will ever solve. That indeed would have been a feat for a great statesman to accomplish, and would have covered his name with immortal renown! I do grudge the four millions a year which we squander upon our colonies, when I consider what might be done with half that sum for the benefit of this country, and of the colonies by means of systematic colonization.

But to colonize beneficially, it is necessary that the higher and richer,

as well as the poorer classes ; that the employers of labour as well as the employed ; that all classes of society should migrate together, forming new communities, analogous to that of the parent state. On such principles alone have successful colonies been founded in ancient or modern times. On such principles the colonies of Greece and of New England were founded.

For instance, from the over-crowded cities of Greece the colonists departed under the guidance of their foremost men ; they carried along with them the images of their heroes and their gods, whose common worship linked them for ever to their ancient home ; arrived at their destination, they formed states after the model of the parent city ; they flourished in wealth, excelled in all the arts of civilized life, extended the empire, and added to the renown of the Dorian or Ionian name. Not dissimilar in principle was the old English mode of colonizing, except that our colonies, instead of commencing their existence as independent states, professed their allegiance to the mother country ; but their charters gave them all the essential powers of self-government, and complete control over their internal affairs. They flourished rapidly, were most loyal, and sincerely attached to our empire, till we drove them into just rebellion by our new colonial system. Very different from these successful modes of colonizing has been that of the Colonial-office. It has been either a shovelling out of paupers or a transportation of criminals, whereby some of the fairest portions of the British dominions have been converted into pest-houses of pauperism, or sinks of iniquity, polluting the earth with unheard-of diseases and unmentionable crimes. No gentleman, no man of birth or education, who knows anything about the matter, would ever think of emigrating to a colony, to be under the control of the Colonial-office. But if the colonies were properly planted, and self-governed according to the old fashion, then our kinsmen and friends, instead of over-stocking the liberal professions, instead of over-crowding the army and navy, where no career is open for them, would seek their fortunes in the colonies and prosper ; for we are by nature a colonizing people. The same destiny that led our forefathers from their homes in the farthest east, still urges us onwards to occupy the uninhabited regions of the west and the south ; and America, and Australia, and New Zealand anxiously expect our arrival to convert their wastes into happy abodes of the Anglo-Saxon race.

In making these observations I wish merely to show, that if vast sums of money are to be expended on the colonies, they can be expended in a manner far more beneficial to the interests both of the colonies and of the rest of the empire than they have been hitherto expended. I do not, however, intend to propose to the House any plan of systematic colonization, or any grant of public money for that purpose. My only objects, at present, are reduction of useless expenditure, and reform of bad colonial government, which are things good in themselves without reference to any ulterior measures. But I will presume to express my belief that there is a great and noble career open for any statesman who, possessing the power, shall, with firm and vigorous determination, curtail that expenditure, reform that system of government, and, at the same time, promote systematic colonization. In what manner colonial expenditure can be curtailed without detriment to the interests of the empire, in what manner the system of colonial government can be

amended for the benefit of the colonies, I have attempted to show; and in the hope that I have succeeded in proving that that expenditure ought to be curtailed, and that system of government ought to be amended, I take the liberty of moving the resolution:—"That it is the opinion of this House that the colonial expenditure of the British empire demands inquiry, with a view to its reduction; and that to accomplish this reduction, and to secure greater contentment and prosperity to the colonists, they ought to be invested with large powers for the administration of their local affairs." And if the Government will accede to this motion, I give notice that next session I shall follow up this subject by moving for a committee of inquiry.

[No substantive motion followed this able speech, as it was considered by Sir William Molesworth and his friends that the bare mention of those admitted facts would be sufficient to induce the Government to come forward with some proposal for an entire revision of our colonial system. As no steps have yet been taken in this direction, it is to be hoped that the patriotic members of the House of Commons will not allow this vital question to slumber during the present session of Parliament, but will forthwith adopt such measures as will force on the attention of the Government the necessity for promoting extensive reforms in this department of administration, seeing that the manner in which it is conducted has an intimate bearing on all really effective reductions in the military and naval expenditure of the country.]

In future numbers of these Tracts the Association hope to bring forward additional evidence in support of their position, that the system on which the colonies have been hitherto governed must undergo a complete revision and re-modelling, if the future prosperity of the mother country, and the claims of millions of her industrious sons, are to be consulted.]

FINANCIAL REFORM.

The Financial Reform Association was instituted in Liverpool, on the 20th of April, 1848, for the following

OBJECTS.

1st. To use all lawful and constitutional means of inducing the most rigid economy in the expenditure of the Government, consistent with due efficiency in the several departments in the public service.

2nd. To advocate the adoption of a simple and equitable system of direct taxation, fairly levied upon property and income, in lieu of the present unequal, complicated, and expensively-collected duties upon commodities.

Political partisanship is distinctly disowned, the Association being composed of men of all political parties.

Post-office orders to be made payable to EDWARD BRODRIBB, Esq., Treasurer of the Association, Harrington Chambers, North John-street.

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FINANCIAL REFORM ASSOCIATION.

Harrington Chambers, North John-street, Liverpool, March, 1849.

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FINANCIAL REFORM TRACTS.

No. 13.

THE NAVY.

SECTION VI.

THE REPAIRS AND ALTERATIONS OF SHIPS ORIGINALLY MALCONSTRUCTED.

THERE is a ship in the navy called the Leda, and at some former period there was another of the same name, which is now spoken of as "Old Leda." Old Leda was a ship of fair fame, and became a model, upon whose "lines" other ships were built—a kind of mother of men-of-war. Her daughter ship Leda is a 46-gun frigate, of 1,171 tons, built at Pembroke, between October 1824 and April 1828. At the latter date she was launched. Her cost was £25 18s. 5d. per ton.

Though named after old Leda, she was fashioned, to some extent, after a ship mentioned in doekyard genealogy as the "French President." This President was a man-of-war, of good reputation in the French navy; and it seems to have occurred to our Lords of the Admiralty, who are usually persons selected from rural life, by reason of their eminence in their respective counties, that to obtain a cross between two ships of different navies, would give a result as satisfactory as a cross between a Cheviot ewe and a Leicester ram. Young Leda was given to the ocean—a thing of hope—on the 15th of April, 1828. But, alas! for the sum of £30,353 5s. 11d., which this daughter of war cost before she was out of her cradle; and, alas! for the thousands of pounds she has cost since! from that day to this, she, the eldest hope of the doting Admiralty of 1824, has remained in the docks; amongst ships, a melancholy moping idiot; crouched in a shed, she lies stripped almost bare, neglected, and forgotten. In her earlier years she was taken outside the harbour, in the fond hope that exercise might retrieve her organic malformation, in some measure, however small; but the most skilful practitioners could not venture with her out of sight of the shore. She would not, could not, go to sea; rocking herself to and fro, and weighing her head, or dipping, or lifting it, and plunging her gun ports under water, in the softest of summer winds, she threatened her own destruction. No expense had been spared to bring skill and science to her cure; all that the afflicted Lords, secretaries, surveyors, builders, superintendents, and boatswains, of the Admiralty, whose pet she was while on the stocks, could do, with unlimited funds at their command, has been done, but to no purpose. Poor Leda lies hopeless, helpless, incurable.

It has been said that an old Admiral, more sagacious than the rest, foretold that "no good would come of bringing the model of a French Republican ship into the English Royal navy;" and so it appears. For young Leda was not six months old when her brother Hotspur was launched. Hotspur was the same in tonnage as his sister, 1,171, and nearly the same in cost (1s. 4d. per ton additional), and like her, has lain in the docks ever since—an idle ship, unfit to perform any work; but, like her, prodigious in his tax-eating appetite.

On the same day that Hotspur was launched at Pembroke, the 9th of October, 1828, another ship, built on the lines of "old Leda," by the same Admiralty, but without the cross of the "French President," was launched at Woolwich. This was the Clyde 46-gun frigate of 1,081 tons, built at a cost of £29 10s. 3d. per ton. The

Clyde, from that day of launching to the day of the last bulletin in 1848, has lain a crazy lump, never at sea, never likely to go to sea.

And on the 17th of March of the same year, there was launched at Bombay, an 84-gun ship, built as old Leda, 2,279 tons, at a cost of £30 4s. 9d. per ton, which was named the Bombay, and to this day lies a log upon the waters.

In March, the following year, the fifth in order of the race of the President and old Leda, a 46-gun frigate, of 1,215 tons (cost not recorded), was launched at Bombay, named the Andromeda, and has been only eighteen months employed since. She is not so absolutely helpless as her brother Hotspur and her sister Leda, and is used as a kind of servant-of-all work for stores.

The Eurotas, a 46-gun frigate of 1,168 tons, costing £24 19s. 9d. per ton, was launched in February, 1829. This was the sixth of the race of old Leda and the President, and has not done one day's work, nor exhibited the sign of doing work since launched. This ship has, however, been the subject of some interesting experiments, which we shall recount, with their interesting expenses, hereafter.

The next offspring of old Leda was the Fox, 46-gun frigate, of 1,080 tons, launched August, 1829, at Portsmouth, at a cost of £28 4s. 10d. per ton. This ship lay a monument of folly fourteen years, eating taxes, and being eaten by the worms. The surveyors, shipwrights, and Lords of the Admiralty could do nothing to redress the organic infirmities of the Fox; but, ultimately, a gentleman of skill, Mr. Joseph White, of Cowes, Isle of Wight, offered to cut away certain parts, add certain parts, and make the Fox fit to go to sea. The following lucid and elegant document is the official account of the operation:—

“A return of what orders or plans that may be in the surveyors department for *lengthening the bow* of the Fox, and to state the cost of the alterations of that ship.”

“Admiralty Order, 16th March, 1843.—Their Lordships have desired Mr. White, of Cowes, to put himself in communication with the officers of Portsmouth yard, with a view to making an estimate of the cost of lengthening of the bows of the Fox, according to his plan, and the superintendent has been desired to send up an estimate accordingly.”

(Return). “No estimate seen by surveyor.”

“Admiralty Order, 1st May, 1843.”—To the Surveyor of the Navy.—“The Fox has been ordered to be proceeded *with forthwith*, on the plan of Mr. White, of Cowes, and that gentleman has been desired to put himself in communication with the officers of Portsmouth yard on the subject.”

(Return). “No plans for lengthening the bow forwarded or seen by the surveyor.”

“Fox. Expenses of altering and fitting for sea on the Hull:—

Materials.....	£5,829
Workmanship	4,027

£9,856”

There is, in another page of the returns, this item, which was paid the 22nd November, 1844:—“For remuneration for expenses incurred in superintending the construction of H. M. Ships Daring and Fox, £200.

And under this same head of “sums paid to Mr. White, of Cowes, for plans, travelling expenses, &c., there are payments which indicate that this gentleman had been called in as a ship doctor extraordinary, to see her Majesty's brig Waterwitch. “Travelling expenses,” £21. Also, 16th April, 1846:—“For attendances during one year and a half at her Majesty's Dockyard, Woolwich, altering Amphion; at Deptford in the laying off the Termagant and Phaeton, and at Portsmouth altering the Amphitrite, £350.” The Termagant had cost £3,092 in alterations since launched in 1847, and was not “complete” in alterations in March, 1848. Also, “For journeys to London and the above places, attending and making out plans for engineers, and incidental expenses, £187 10s.” Also, “For attendance between October, 1846, and March, 1848, on Termagant, Phaeton, and Euphrates, £500.” Also, “For travelling expenses to London, attending and making out plans for engineers, &c., £279 10s.” Total for expenses to Mr. White, £1,538.

Having slightly digressed from the Fox into those other charges of the ship doctor, we return to that monster progeny of “old Leda,” and the President, of which the Fox was the seventh.

The Penelope, a 46-gun frigate, 1,091 tons, built at a cost of £26 1s. 11d. per ton, and launched 13th October, 1829, was the eighth of this race issued into the world

within eighteen months. Until she was fourteen years old she lay with the other victims of malformation, incurable as a frigate. At last it entered into the head of the master shipwright to suggest, that if she were cut in two and lengthened, she, having during fourteen years resolutely disobeyed her sailing gear, might be compelled to submit to be moved by a steam-engine.

The *Penelope* was accordingly operated upon. Here is the first official return:—

“Statement of the expense incurred on the hull and machinery, by converting the *Penelope*, 42-gun frigate” (46 guns) “into a steam-frigate per A. O. 26th March, 1842:—

“Lengthened in midships 68 feet, and fitted for sea as a steam-frigate, with engines of 650-horse power, at an expense for hull and machinery as herewith:—

Hull (materials)	£17,585
Workmanship	7,862
Machinery.....	34,042

Total for alterations and machinery £59,489”

The next discovery was, that the *Penelope*'s gun-ports were under water, and that had engines of 500-horse power been placed in her, instead of those of 650, her weights on board would have been less by “240 tons,” which the Report says is “equal to fourteen inches immersion, which would reduce the draught of water to 18 feet 6 inches, and raise the ports to six;” that 12 feet 8 inches from the engine-room for the vessel's accommodation would have been had; and the reduction in the cost of the engines would have been £9,392 less!”

The next official information we have of the *Penelope* is in “the List of the Steam Navy, divided into three classes” (page 875, Appendix F, of the papers laid before the Select Committee of 1848 on Navy Estimates):—

“*Penelope*, 1,616 tons, 625-horse power; greatest speed 9.6 per hour; a French frigate ruined, converted to a steam-ship; useless except as a troop ship. Slow. Cost?—SURVEYOR.”

The tonnage is increased by her greater length. Her difference in horse-power from 650 is not explained. This list is dated—

“Admiralty, Somerset House,
“Surveyor's Office, 14th July, 1848.
“B. W. WALKER.”

(Signed)

Captain Sir Baldwin W. Walker is a new surveyor, who has succeeded Sir William Symonds. The new surveyors of former times convicted the ships of their predecessors of some fault to get them set aside for new projects, which they could do with the utmost candour. Captain Walker imitates his predecessors in finding fault with their ships. It remains to be seen if his new projects be like theirs.

The public recollection of the Parliamentary debates must be still fresh, in which Sir Charles Napier, M.P. for Marylebone, vexed the Lords of the Admiralty year after year with portraits of their “lame ducks” and “slow coaches” of steam-frigates. The Admiral was seated on the Opposition benches. Like Admiral Vernon, who was on the Opposition benches a hundred years before, railing with unbridled tongue, who said he would chastise Spain with six ships, and reduce the Spanish colonies in succession, who, much to his own surprise, was selected from the Opposition to get him some employment—*any thing* to keep him out of the way, and who lost to Britain 154 ships, valued at £612,000, besides causing the loss of numerous vessels of commerce, and incurred an addition to the national debt of twenty millions sterling in three years! Like him, but fortunately at far less expense, Admiral Napier was surprised by the Board of Admiralty taking him at his word as to what he could do and *would* do. They bade him go and take timber, iron, men, and dock-yard machinery, and build a steam-ship according to his fancy. He did so, and the *Sidon* was the result. That ship is thus returned in the list with the remarks, signed “B. W. Walker:”

“*Sidon*, 1,328 tons, 560-horse power; greatest speed (?) thirteen miles per hour; should have done fifteen miles per hour. Is crank, as I have seen her. Cannot sail when empty. Cost?—SIR CHARLES NAPIER.”

The notes of interrogation (?) used after “speed” and “cost” seem to indicate a doubt. At best the *Sidon* is a failure. Her first cost, when built in 1846, and the

alterations to get her to "go" after she was "ready for sea," are briefly as follows:—

"Cost of the ship" (1846)	£34,148
"Cost of engines"	34,155
"Fitting for sea" (1846)	3,747
More "fitting for sea" (1846)	1,226
More "fitting for sea" (1846)	1,078
More "fitting for sea" (1846)	5,423
More "fitting for sea" (1846)	1,023
More "fitting for sea" (1847)	1,808
More "fitting for sea" (1847)	155
More "fitting for sea" (1847)	2,350
More "fitting for sea" (1847)	424
Coals expended on trials of "fitting for sea"	702

Total in getting the *Sidon* to sea

£86,244

This seems a pretty experiment for Sir Charles Napier, who wasted considerably more than a fair share of the time of the House of Commons for three or four years, vexing the Government until he was permitted to try his hand at building a ship after his own plan, with something else than his own money.

No wonder that Sir William Napier should think the pay of the tailor colonels of the army a light matter, and their shop profits a still lighter matter, the pay being £86,850, and the profits £75,000, while Sir Charles Napier, one of his salt-water relations, is permitted to spend £86,244 on a toy of his brain, which the new surveyor says is *crank*, and will not sail *empty*, though a steamer!

This is a digression from the Leda race of ships; but they are reverted to in the next section. The twin monsters of the family, Eurotas and Seahorse, leave their idiot sister and brother frigates, Leda, Hotspur, Clyde, Bombay, Andromeda, Penelope, and Fox, in the light of respectable ships, they are so transformed, re-transformed, and deformed. The *sea serpent* of Captain M'Quhae is a fire-side pet compared to the incomprehensible *Seahorse* monsters of the Frankensteins of the Admiralty.

SECTION VII.

STEAM SHIPS AND THEIR ENGINES.

The conclusion of the last section referred to some of the sailing ships of the navy, which have been, and are to be transformed into steamers. This section leads us farther into the subject. The evidence of Mr. Gordon, an eminent engineer, agent in London to Mr. Napier, of Glasgow, is most worthy of notice.

On the 14th March, 1848, Mr. Gordon addressed the following letter to Lord Seymour, chairman of the Committee on the Navy Estimates:—

"22, Fluyder-street, Whitehall.

"MY LORD,—The honourable member for the West Riding having heard some of my facts connected with the steam-marine, advises that I should offer to give evidence before the committee.

"Admiralty steam-marine orders to the extent of £160,000, have passed directly or indirectly through my hands, and have been executed by the house I am connected with; and, besides, I have made all the calculations, drawings, and tenders for these and other Admiralty contracts, amounting to considerably upwards of a million sterling.

"During eleven years I have occasionally warned the authorities of evils which increase in their departments, and you will see by the accompanying printed letter that five years ago I did the same in a more public manner. I spoke then, 1843, of saving in the department of the steam-marine many thousands a-year. I am now ready to show that, bad as was the case, confused, dilatory, and inefficient as was the system, and reckless as was the extravagance then of public money, the case of this important arm of the nation's power is much worse now. It is quite possible that Lords Commissioners and Secretaries of the Admiralty may be advised now, as their predecessors in office were advised then, that I am the party who is wrong. My said printed letter (1843) was referred for report. But there is an official facility for extinguishing such exposure, or of suppressing the reports thereon." [The letter and report, it seems, were suppressed.]

"I venture to hope that your lordship will remind the honourable committee of the

following 'great facts':—*that the steam navy has cost the country six millions sterling, exclusive of all reinstatement and expenses during commission.*

That the annual repairs now for engines and boilers are not less than £108,000
 That the annual cost for coals is 110,000
 That a very moderate allowance for depreciation of the steam navy may be stated 600,000

Showing an annual cost of £818,000

“ And if we include five per cent. for depreciation of the tools, and per centage for cost of steam-basins and buildings, we may add a sum which will make the annual current expenditure for the steam marine, *exclusive of new ships*, the large annual sum of *one million*, for which the Admiralty have no statistical examination or digests whatever. It is true they have all the means; but the honourable committee will find (if they examine me early) where to detect by competent witnesses, and how to correct effectually the working of a system which would have brought any but the national exchequer to bankruptcy.”

Mr. Gordon was examined by the committee, June 1, 1848. He read a passage from his letter addressed to the Admiralty in 1843, copies of which were sent to all the heads of departments; it was this:—“ I submit to your lordships the following facts and arguments by which extravagance may be checked, the immense drainage of public money may be reduced, good engine-makers and engineers afloat encouraged, the current economy of steam-ships regulated, and their efficiency for important services secured.”

He proceeded to state that no answer had been returned to that letter of 1843. Seventy-three steamers, with an aggregate of 24,000-horse power, had been ordered since then, and were completed, or in the course of construction. He was concerned in making some of the engines for them, but had not tendered for others, because the Admiralty, in their specification, limited the makers to a certain weight of engine, and offered what was a premium on inefficiency. They specified the width and depth of the ship's hold, and the space which the engines and coal bunkers were to occupy, and added in their specification and accompanying letter, that “ all those tenders which place engines of sufficient power in a space less than ” (that specified), “ and give the largest stowage of coals, will be preferred.” The direct result was, that 500-horse power engines were sent with 400-horse power boilers. The latter go frequently out of repair, and do not last so long as if they were only attached to 400-horse power engines. He adds, “ On more than one of these occasions Mr. Napier felt it his duty, in sending in his tender, to warn the Board of Admiralty against the system they were pursuing.” Mr. Napier, to preserve the reputation of his house, declined to tender for engines on terms which would have only obtained the contract by giving boilers dangerous and inefficient. By a return printed by the House of Commons in 1843, stating the time of working lost by engines out of repair, Napier's engines were stated to be one-eighteenth of their time unfit for duty by reason of repair; while the others were all stated to have been one-fifth, one-fourth, and one-third of their time unfit for duty by reason of repair; Mr. Gordon stated that the *Britannia*, commercial steamer, running between Liverpool and America, ran 68,000 miles in her first two years; that the *Caledonia* ran 60,000 miles in her first two years, and cost nothing for repairs in her first three years. No such ships and engines were known in the navy. The *Cyclops*, one of the best steam frigates, only ran 29,300 miles in her first three years. “ Her engines cost in that time £800, and she was 164 days, or one-fifth of her time, unfit for duty in consequence of her repairs.”

Mr. Gordon, like all the witnesses who gave evidence unfavourable to the naval system, as hitherto carried into practice, was subjected to cross-examination on the part of those members of the committee concerned, now or formerly, with the navy. The cross-examination was of such a singular nature as not to be overlooked. Had it been to elicit the truth, by putting the scientific knowledge of the witnesses to the test, it would have been useful. In the case of gentlemen who had been at one time in the dockyard service, and who, being now out of the service, brought the secrets out with them, attempts were made to impugn their veracity, and to distort their motives, which an Old Bailey practitioner would only equal by calling the witness an “ informer ” or a “ spy.”

In the case of Mr. Gordon, the cross-examination turned on the question whether he could, with his own hands, make all the parts of an engine and put them together.

Mr. Ellice, M.P. for Coventry, had the Government shipbuilders for his clients in this case. In vain Mr. Gordon told them that he had been a working engine-maker in his youth. Mr. Ellice must press to know if he had made, or could make, with his own hands, an engine for a steam-ship.

In vain the witness answered that he had drawn the diagrams and designed the patterns for all manner of steam engines, and had directed the workmen employed in fitting them up. Such knowledge as that was not enough. Mr. Ellice required to know if he had put an engine together with his own hands, and if he could put one together? Had he a factory of his own in which he himself made steam engines?

In vain he answered that he was resident in London, as the agent of one of the most eminent engine-makers in the kingdom, whose factory was at Glasgow. Mr. Ellice seemed resolved to elicit as much of a confession of incapacity on the part of Mr. Gordon as would place him on a level with the Lords of the Admiralty, namely, that *he could not make a steam-engine with his own hands*. This much Mr. Gordon had to confess to; but he added, seemingly to the surprise of Mr. Ellice and the gentlemen who thought that all persons who have seen an engine and know the technical designation of its parts are equal in knowledge, he added that no one man could make an engine; that iron-founders were not blacksmiths; that blacksmiths were not boiler-makers; that boiler-makers did not bore the cylinders; that borers were not turners, and planers, and fitters-up; and that the best master engine-makers, though they may have been good workmen once, would not make good workmen if immediately put to the task again.

When Mr. Ellice had drawn the witness thus far, Mr. Miles commenced hammering at him in the same style. Here is the conclusion:—

“Have you ever superintended the work going on in a factory in which engines were made by order, and seen the construction of them, and at the same time estimated the cost?”

“Repeatedly.

“In what factory were you brought up?”

“I was for some time in Gutzmer’s factory, at Leith. He has been dead many years. I was then placed in the factory, in London, of Tayler and Martineau. I was asked by Mr. Napier to take charge of a large factory for him, which he some years ago proposed to put up at Hull.

“During the time you were in those two factories, did you become practically acquainted with all the parts of an engine, so as to be able not only to see that the manufacture was well executed, but at the same time to make all the calculations relative to the powers of the engine?”

“I consider that I have availed myself of such opportunities, and that I am so acquainted.

“And have attained that knowledge in those two factories practically?”

“In those two factories practically; but I have since then been very much engaged in erecting machinery.

“What the committee wish to know is, not if you theoretically know, but if you practically know the construction of steam-engines? (The witness had over and over replied to the inquiry involved in this question, that he was, by daily practice, conversant with steam-engines, theoretically and practically; and again he answered):—

“I have never entirely constructed any of those marine-engines. Some years ago I made the drawings of many oscillating engines, and gave the instructions to the pattern-makers, the founders, the smiths, the turners, and the fitters, the sole responsibility resting on myself, and I have done the same in numerous other cases.

“In that case you acted merely as a mechanic, and not as a practical man, in the construction?”

“I merely designed, looked on, and directed.

“Then, really and practically speaking, you are not very conversant with the construction of engines?”

“Practically, with my hands, I should make a very poor day’s work; and I think I may say as much with regard to the best mechanics of the day. If you were now to put Mr. Robert Napier back to his work as a workman he would make a very bad day’s work, I think.”

The cross-examiners seemed at this point to be quite satisfied with the proofs which they had elicited, that the engineer who had pronounced the entire steam navy, Whig-constructed steamers and Tory-constructed steamers, a blunder and a waste of money, was not himself a practical man. But the man who had, at the risk of his professional income (as an engineer occasionally working for the Admiralty), pronounced the naval system to be one which would have "brought any but the national exchequer to bankruptcy," was not to be so easily browbeaten. Sir James Graham, having succeeded Mr. Miles, who succeeded Mr. Ellice, led the witness to the allegation that the system was ruinously expensive as well as scientifically inefficient.

"Sir James Graham: You have addressed a letter to the chairman of the committee?"

"I have."

"I find this sentence in it: that if the committee will examine you, you will point out to them 'where to detect by competent witnesses, and how to correct effectually the working of a system which would have brought any but the national exchequer to bankruptcy.' Who are the witnesses to whom you refer, and how are the committee to detect this system which you denounce?"

"I would suggest in such a case the chiefs of your different departments, Mr. Atherton, at Woolwich, and Mr. Massey, at Portsmouth: they are the chief engineers of those respective dockyards. * * * I know more of Woolwich dockyard than I do of Portsmouth. At Woolwich dockyard, I am sure they do not turn out the work as fast as at a private factory; they have not the same number of foremen, superintendents, and leading men which private owners would put to their works. I have very good reason to believe that the heads of those departments are never consulted (the heads of the departments in steam-engine making), and that *that practical information which arises generally with the workman*, never gets to the top of the department (in the Government offices). The master of a factory is not the inventor of everything in the factory; and he is not a perfect master of each department of it. There must be foremen of the founders, and leading men of that department; there must be foremen of the pattern-makers, and leading men of that department; there must be foremen in the fitting-up department, and leading men there; there must be foremen of the smiths, and leading men in that department. And it is among the workmen that the improvements are generally suggested."

The witness then proceeded to show that by the system which is founded only on the principles of gradations in social rank, by which the many grades of superiorities may be duly held in worship by their inferiors, improvements in science are frozen to inaction in the cold formalities of that official worship. He said:—

"Supposing that (an improvement) to arise in the dockyard, the foreman may suggest it, or it may be suggested to him; he mentions it, we may suppose, to the head of the establishment at Woolwich, and the head of the establishment at Woolwich is obliged to report to the Commodore-superintendent what he thinks. It goes from the Commodore to Somerset-house. From Somerset-house it must go to the Admiralty, at Charing-cross. From the Admiralty, at Charing-cross, it must go to Somerset-house again. From Somerset-house down to the Commodore-superintendent, and so back again (to the steam factory), *or it may be lost on the way*. The heads of each of those establishments, I conceive, ought to be brought into direct communication with the Board of Admiralty. The Honourable Committee will observe, that with such a roundabout way of proceeding, the best improvement may be nipped in the bud."

With such a system, which only recognizes superiority of judgment or genius in the superiority of the mark of rank, such as a cocked hat, or two epaulettes instead of one, or one instead of none, or more buttons on the clothes than somebody else, it is not surprising to read, as in the *Times* of 22nd January, 1849, under the date "Singapore, Nov. 19," that there is joy in the Indian Ocean and China Seas, at the Admiralty having succeeded at last in turning out a steamer capable of doing the work done every day, for many years past, by Liverpool tug-boats. The naval correspondent of the *Times* writes thus from Singapore:—"That fine and powerful steamer (the *Fury*) towed the *Hastings* along at the rate of seven or eight knots an hour, sometimes against a strong current, for several hundred miles. Were all her Ma-

jesty's steam-ships like the *Fury*, we should not hear so much of the 'lame ducks' that waddle about the coast at home, *and cause infinite inconvenience abroad.*"

SECTION VIII.

STEAM-SHIPS AND THEIR ENGINES.

The *Forth*, a 46-gun frigate, of the "French President" class, 1,228 tons, was launched at Pembroke, 1st August, 1833, at a cost of £23 4s. 10d. per ton, and has lain in the docks an idler from that day to this, except when undergoing operations, in the vain hope of making her a useful ship.

The *Thalia* is a daughter ship of the "old *Leda*," a 46-gun frigate, launched in 1830, 1,082 tons, built at a cost of £24 11s. 1d. per ton. The *Thalia* has been eight years in employment, less or more, and ten years laid up. The *Stag*, a 46-gun frigate, of 1,218 tons, built at a cost of £26 1s. 8d. per ton, and launched in 1830, is also one of the *Leda* and *President* race, and has done little work, though, nominally, in commission nine years.

The *Proserpine*, the youngest of the "old *Leda*" frigates, 1,078 tons, built at £29 4s. 9d. per ton, was launched 1st December, 1830, and has been keeping young *Leda*, *Hotspur*, and the rest, company ever since, doing nothing. The *Seahorse*, alluded to before, a 46-gun frigate, of 1,212 tons, built at £24 3s. per ton, was launched 22nd July, 1830, and has done nothing since. But, like its brother ships, the *Eurotas* and *Forth*, it has been the subject of various experiments.

"The first information obtained of those experiments is, that the Admiralty having decided on converting the *Eurotas*, *Seahorse*, and *Forth* into steam-frigates, in 1843, after they had lain worthless and unused, the one fourteen and the other thirteen years, engineers were invited to send in tenders for the engines. The engines were to be of 350-horse power each. Mr. Napier, of Glasgow, declined to tender for engines of that power, to be "cramped into the small hold of the *Eurotas* and *Seahorse*." (Gordon, 6680.) In other cases, "Mr. Napier tendered up to what he considered he could do, consistently with the efficient working of his engines, and we lost numerous contracts, because we did not tender to put in the same amount of power as others promised." (Gordon, 6647.) Others, it seems, promised to put a certain amount of power within any given space, as defined by the Admiralty, without even a knowledge of the internal arrangements of the ship. Thus the *Bull Dog* steamer could not go to sea, the engineer and stokers being in danger of immediate suffocation, until altered and refitted. Thus the *Eclair*, similarly fitted up, went to sea, and came home a plague ship, her crew, officers, engineers, every person on board having perished of disease, generated in the unventilated engine-room. Thus, engines of a certain nominal power were fitted with boilers of a lighter construction. Such boilers were attached to the engines made for the *Eurotas* and *Seahorse*. And when the new Board of Admiralty of the Russell Government came into power in 1846, and ordered the transformation of those and other sailing frigates to be stopped, the engines were allotted to other ships; but the boilers made to be "cramped into the small holds of the *Forth*, *Eurotas*, and *Seahorse*," were laid aside, and now lie aside useless, new boilers being made for the engines. Captain Lord John Hay, one of the Lords of the present Admiralty, says, (2085):—

"The present Board of Admiralty found engines of 350-horse power, prepared for the *Seahorse*, the *Horatio*, the *Forth*, and the *Eurotas*; they also found the *Amphion* supplied with an engine of 300-horse power. The *Amphion* is a ship of 1,447 tons, and the weight of her engine is 150 tons. The size of the *Eurotas* is 1,160 tons, and the weight of her engine is 195 tons. Now it appeared that, for the purposes of sea-going ships, it would be next to impossible to make efficient men-of-war of either of those four frigates, because we find the room in the *Amphion* is so limited; *in fact, she has very little room at all, and can scarcely stow more than four days' coal.* Therefore we decided not to go on with those four frigates, and to apply their engines to the *Simoom*, and to the *Vulcan* and the *Magera*. The engines were made, of course; and there had been some expense in altering those four frigates, and in repairing them, but their steam has not been touched—it is quite perfect, and I think it ad-

visible, although some money has been spent, amounting, on the average, to about £6,000 each (but that included repairs and fitting their ports for heavier guns), not to proceed with those ships, but to fit them out as corvettes, without any further alteration."

But they cannot be fitted out as corvettes without further alteration. Here is a "Return of the cost of restoring the hulls of the Eurotas, Forth, Horatio, and Seahorse, to sailing ships:"—

Forth	£5,059	
Seahorse	5,059	
Horatio	6,100	
Eurotas	6,800	
		£23,018"

Add to this the "average of about £6,000 each," which they have cost in bringing them into the state they are now in according to Lord John Hay's evidence

£24,000

Cost of two changes of mind in the Lords of the Admiralty for four frigates.. £47,018

The cost to complete the hulls as steam-ships, exclusive of machinery, is thus returned:—

Forth	£4,516	
Seahorse	4,516	
Horatio	5,500	
Eurotas	3,500	
		£18,032

The only one of the four which has been at sea is the Horatio. This ship is forty-one years old, built on the lines of the "Old Lively," and has been nine years, seven months, three weeks, and four days employed; the other three have never been at sea—have never been capable of being sent to sea. The cost of each at the period of launching was—

Forth	£28,000	
Seahorse	29,104	
Eurotas	35,026	
Horatio (probably)	35,026	
		£127,156

The probable cost of alterations made in the repeated efforts to get them into a condition of sailing, and the repairs may be set down (estimating according to other ships, the particulars of which are known), as—

Forth, 15 years	£22,500	
Seahorse, 18 years	27,000	
Eurotas, 19 years	28,500	
Horatio, 41 years	61,500	
Total (probably) for alterations and repairs		£139,500

First cost, alteration, repairs, &c. £266,656

Add to this £6,000 each for the change made upon them by the Peel Lords of the Admiralty

£24,000

Total cost of four useless frigates at the change of Ministry, 1846

£296,656

Add to this the further cost of those four useless frigates by a change of Ministry in 1846, the Russell Lords of the Admiralty having determined to restore them to their sailing form as corvettes

£23,018

Cost of four corvettes without rigging or stores, never at sea (except one in commission nine out of forty-one years), and not in a condition to go to sea

£316,674

The interest and compound interest of that sum should be added.

The engines of 340-horse power each, made for those four vessels, are said to be no loss, as they are applied to other ships; but that statement is not correct. The boilers were insufficient for the engines, and parts of the engines were unfitted for the new vessels to which they were allotted. Moreover, the first of those vessels, the Vulcan, was only launched in January, 1849; so that the price of the engines, which was paid four or five years ago has been lying dead all the while. But this never excites concern or remark in the navy. Indeed, the best profit which arises to the public in the expenditure of money on ship-building is often that of *no harm being done*.

The money sunk in the engines ordered for the four first-class frigates, of which the Vulcan is one, and which are allotted to as many sailing men-of-war which are

now being transformed into steamers, is also to be taken into account. Those engines, varying from 600 to 780-horse power each, were paid for several years ago. That made for the Vulcan was set aside for a first-class steamer, ordered to be built by the Peel Lords of the Admiralty, which was to be called the Audacious. The Russell Lords of the Admiralty ordered it otherwise. Instead of the Audacious, they would have a first-rate steamer built, to be called the James Watt, and the engines originally made for the Vulcan, and paid for, were accordingly laid aside to await the completion of the James Watt.

The propriety of giving this name to a first-class steam-ship cannot be questioned; but with the fact in our recollection that a first-rate man-of-war is named the Nelson, in honour of that Admiral, and that the ship cannot be navigated outside the harbour, a puff of wind threatening to heel her over, fill her with water, send her to the bottom, and drown the crew, there only seemed a bare chance of the memory of James Watt deriving any honour from the ship ordered to go by his name. But even that bare chance is now gone; the Lords of the Admiralty have again changed their mind, and there is not to be a James Watt. We must, therefore, look for the employment of those engines elsewhere.

Another large steamer was ordered to be built, and was proceeded with for a time. Whether its name was selected in honour of any eminent personage is unknown. But the name was Beelzebub. A change of mind in the Lords of the Admiralty has put Beelzebub and James Watt in the same category; neither are to have a ship. Beelzebub's engines are sent elsewhere.

In searching among the navy returns to see what has become of the Vulcan's engines, the discovery is made that before the Seahorse set of frigates were selected for the 350-horse power engines there were other ships and frigates selected, namely, the Wellington 72, Devonshire 72, Venus 42, Diana 42, Pitt 72, Sutton 72, Naiad 42, Laurel 42, Armada 72, Invincible 72, Druid 42, Dublin 50, and Saturn 56. But after commencing upon those ships, they were found to be so "very defective," to use the official character given to them, that they were set aside, and the following chosen instead:—Blenheim 72, Hogue 72, Ajax 72, Edinburgh 72, and our friends the Eurotas, Horatio, Forth, and Seahorse. All is known that need be inquired about in respect of the four last. But the Blenheim, Hogue, Edinburgh, and Ajax were proceeded with until they became steamers. In tracing their progress and their cost, the London, Nile, and some men-of-war of their gigantic dimensions are fallen in with; the Vulcan's engines, and the others of the Vulcan class, are to be placed in the London, the Nile, and other 92, 90, and 30 gun ships, unless another change of mind in the Admiralty, or another change of the Admiralty Lords, orders to the contrary.

At present we come to a pause after quoting the testimony of the *Naval and Military Gazette*, a paper generally devoted to the maintenance of naval and military extravagance, yet ashamed of the ship-building and steam-engine making, that paper says:—

"It was neither the officers, nor seamen, nor the hemp, tar, and timber in the dockyards and stores that created the excess in the Estimates" (yet the excessive consumption of those articles did increase the Estimates), "but the fancy building and tinkering of the ships. They were constructed on some *beau ideal*, and when taken to sea were inefficient in some points or other. The word then, different from the commands in the steamer—'Stop her!' 'Ease her!' &c., was 'Lengthen her!' 'Shorten her!' 'Cut down her masts!' 'Give her more ballast!' Iron steamers were built, and then it was discovered that shot would knock them to pieces like crockery-ware; frigates were cut down to be steam-tubs, with other fantastic tricks. There being no specific remedy for a ship rocking like a cradle, when one was proved to be in that dilemma she was sent 'to sleep on her shadow' in Porchester Lake, or Hamoaze; all these alterations were put down as 'repairs,' and a pretty penny they cost. The money laid out in these experiments in the last two or three years would have kept 10,000 able seamen in constant employment."

Say rather, would have kept 10,000 useful working men in constant employment, or would have repealed the tax upon coffee or soap, or taken half the tax from tea or sugar. But it is unnecessary to contend as to what should have been said. The testimony of the naval journalists in proof of a waste of public money is accepted.

SECTION IX.

EXPENSES AND SERVICE OF SHIPS IN ORDINARY.

In this section the examination of the ships transformed to steamers, or otherwise altered, is continued and concluded. From the necessity of being brief, a few only can be glanced at.

The Edinburgh was built in 1811, at a cost of £66,167. In the following nine years her repairs or alterations cost £53,865. The cost of repairs up to 1845 have not been printed. In that year she was ordered to be lengthened, and converted into a steam guardship. The work was proceeded with, and the expense incurred, when the Lords of the Admiralty in the Russell Administration of 1846 came to the opinion that, to put new and expensive machinery in old ships; to add new and expensive lengths to vessels originally mal-constructed, and already older than one-half of all the ships sold and broken up during the last twenty years; to fit up guardships which could only creep out of harbour and along the coast, like lame sailors out of hospital, unfit to go to sea, and not intended to go to sea, was a scheme of coast defence at once extravagantly improvident and inefficient. Those ships, of which the Edinburgh is one, were then delayed in preparation, to be farther considered. Not being completed, the cost of altering the Edinburgh has not been obtained; but the cost of the Blenheim, a ship originally of the same malconstruction, and in 1845 ordered to be transformed to a guardship, is before us:—

The Blenheim was built in 1813, at an expense of.....	£59,249
Repairs and alterations in the first eleven years of her age, namely, to 1824.....	42,202
Whole period of service, from 1813 to 1845, five years and a half.	
Cost of alterations from November, 1845, to March, 1847, in lengthening her hull eight feet, at Blackwall.....	£31,857
From March, 1847, to May, 1847, in further altering her hull, at Woolwich	6,951
From May to October, 1847, for further alterations upon her hull at Sheerness.....	4,471

Having been cut into by the experimenter, this unfortunate ship seems to have writhed and rolled like a wounded worm from Blackwall to other experimenters at Woolwich, from them to others at Sheerness, there to be healed as follows:—

Masts, rigging, and stores.....	£8,220
Contract for engines.....	22,150
Additional expenses by alterations in engines.....	1,460
Coals for trial.....	278

Total cost of the Blenheim from 1813 to 1847.....£176,838

And this ship, having been only five years and six months in commission, unfit at all times to be sent to sea, is not even now intended to be a sea-going ship.

The Ajax is another of the old men-of-war operated upon to make a steam guardship. Her cost and repairs from the year of being launched, 1809, to the year of transformation, 1845, have not been recorded, or, if so, not printed in the returns. But her period of service from 1809 to the present time, is returned as seven years, one month, two weeks, and four days. The operations upon the Ajax, with the view of making her a steamer, began and proceeded thus:—

From November, 1845, to September, 1846, in altering hull at Cowes ..	£15,912
From September, 1846, in further altering hull at Portsmouth	6,623
(Those alterations not yet finished.)	
For masts, rigging, and stores (not finished)	309
Engines (not finished).....	21,531

It is now uncertain whether the Ajax goes forward or backward in the work of transformation. In whichever direction the work may go the expense is lost.

The Hogue, a 74-gun ship, built in 1811, at an expense similar to the Blenheim, whose service has only been two years, ten months, three weeks, and three days, and which has been subjected to alterations and repairs similarly expensive and improvident as in the case of the others, was the fourth of the guardships ordered in 1845 by the Peel Government, and halted in the process of transformation by the Russell Government.

The costliness of the Blenheim, and the official discussion thereon, has allowed

the public a glimpse at the cost of altering and repairing other ships not intended to be steamers. The master-shipwright, who experimented upon the *Blenheim*, defends the amount of costs by adducing precedents, thus :—

The <i>Armada</i> , 74, built 1810	£66,241
Repairs in the first six years of her age	41,844
Repairs in 1836	10,806
Estimated to make good her defects in 1845	32,793

£151,684

From another source we ascertain that the *Armada's* service for this cost has been from 1810 to 1848, *four years and two months*.

In like manner the operator upon the <i>Blenheim</i> lets the public know that the <i>Gloucester</i> , 50 guns, was launched in 1812 at the cost of..	£68,134
And was repaired in her first ten years at a further cost of.....	53,404

£121,538

The *Gloucester* has been employed eleven out of thirty-six years.

In like manner it comes to light that the <i>Medway</i> , launched in 1812, cost....	£67,935
Was repaired or altered in her first eight years at a further cost of.....	53,865
And further repaired in 1843 at a cost of.....	36,465

£158,265

Almost every other ship in the navy has gone through a similar course of alterations and repairs—some before being launched. The *Amphion* is a specimen of this class of ships. She was begun to be built in 1830. The public money continued to be sunk in her until 1845, at which period she was ready to be launched as a sailing frigate, but it was then ordered that she should be altered into a steam-frigate. Her case stands thus :—

The <i>Amphion</i> , cost of building from 1830 to 1845	£36,115
Alterations after being ready to launch	13,211
Further alterations when launched.....	8,912
Cost of Machinery, &c.	18,173

Cost of the *Amphion* up to 1846 £76,411

The amount of her repairs since 1846 has not been published; but those who have read the "naval intelligence" in the newspapers, or who have seen the squadrons of evolution on the coast, or in the Bay of Biscay, or in the Tagus, or in the Straits of Gibraltar, must know that among the "lame ducks" that waddled in the water the *Amphion* was often the hindmost, and always the lamest. If the squadron returned a few hundred miles the way from whence it came, it might come up with this cripple of the dockyards, and turning it round, give it a forward position, but it soon tarried behind footsore or out of joint. The last official bulletin of this ailing ship was the following, dated March, 1848, and signed by Sir Baldwin Walker, the new surveyor of the navy :—" *Amphion*, 1,474 tons; 300-horse power; greatest speed, 9.9 miles per hour; serew; said to be an experimental failure in machinery; a frigate cut down."

The expense of altering the 92-gun ships, such as the *London* and *Nile*, into steam-frigates is not yet known. The engines made for the *Simoom*, *Vulcan*, and other large iron steamers, are to be placed in those men-of-war.

Of malconstruction, alterations, and transformations many more examples might be adduced; but enough have been specified in the present and preceding sections to inform the public of the great national wrong done to an industrious people by the privileged factions, who, usurping all political power, and all the offices of Government, are alike ignorant of the principles as of the practice of skilful industry.

There remain three lists of ships to be presented to the public; first, those that are built have being repaired, or are in want of repair, and have done no service, or have not been more than ten years in service. Second, those that have been condemned and broken up during the last twenty years, most of which were young ships, never at sea. Third, those unfinished ships which have been condemned and broken up, and were never launched.

LIST OF SHIPS OF THE NAVY LYING IN ORDINARY, WHICH HAVE DONE NO SERVICE, OR NOT MORE THAN TEN YEARS, WITH THEIR AGE IN 1848.

No. of Ships.	NAMES.	Guns.	Age in 1848.	SERVICE. Yrs. Mths.	No. of Ships.	NAMES.	Guns.	Age in 1848.	SERVICE. Yrs. Mths.		
1	Nelson	120	34	0	1	73	Sirius	42	35	0	0
2	Neptune	120	16	0	0	74	Thalia	42	18	8	3
3	Royal George	120	21	0	6	75	Thisbe	42	24	0	0
4	Royal William	120	15	0	0	76	Unicorn	42	24	0	0
5	St. George	120	8	0	0	77	Venus	42	28	0	0
6	Waterloo	120	15	0	0	78	Active	40	3	0	0
7	Camperdown	104	28	3	10	79	Flora	40	4	0	0
8	Prins. Charlotte	104	23	4	6	80	Sybil	40	1	0	0
9	Royal Adelaide	104	20	3	9	81	Blanche	38	29	7	6
10	London	92	8	0	0	88	Amethyst	26	4	0	0
11	Nile	92	9	0	0	89	Creole	26	3	0	0
12	Prince Regent	92	25	9	6	90	Iris	24	8	6	7
13	Bombay	84	20	0	0	91	Havana	20	37	5	4
14	Calcutta	84	17	3	0	92	Daphne	18	10	8	6
15	Clarence	84	21	0	0	93	Arachne	18	1	0	0
16	Formidable	84	23	4	2	94	Terpsichore	18	1	0	0
17	Monarch	84	16	3	0	95	Hazard	14	11	10	0
18	Powerful	84	22	3	2	96	Camilla	16	1	0	0
19	Thunderer	84	17	7	6	97	Frolic	16	6	4	7
20	Centurion	80	4	0	0	98	Helena	16	5	3	9
21	Goliath	80	6	0	0	99	Elk	12	1	0	0
22	Lion	80	1	0	0	100	Heron	12	1	0	0
23	Cambridge	78	33	7	0	101	Lilly	12	11	8	8
24	Hindustan	78	7	0	0	102	Pilot	12	10	9	0
25	Indus	78	9	3	8	103	Sappho	12	11	9	2
26	Agincourt	72	31	5	10	104	Saracen	10	17	7	8
27	Armada	72	38	4	2	105	Scorpion	10	16	8	0
28	Bengal	72	35	4	8	106	Sea Lark	10	5	4	2
29	Black Prince	72	32	0	0	107	Wizard	10	18	5	0
30	Carnatic	72	25	0	0	108	Cygnets	8	8	6	8
31	Cornwallis	72	35	10	0	109	Plover	0	7	5	9
32	Defence	72	33	0	0	110	Linnet	0	13	9	9
33	Devonshire	72	36	1	0	111	Snipe	0	20	4	10
34	Egmont	72	38	3	3	112	Ajax, steamer	0	39	7	1
35	Hastings	72	30	7	10	113	Blenheim, ditto	0	35	5	6
36	Hawke	72	28	0	0	114	Hogue, ditto	0	37	2	10
37	Hercules	72	33	4	0	115	Eurotas, ditto	0	19	0	0
38	Implacable	72	48	7	11	116	Forth, ditto	0	15	0	0
39	Invincible	72	48	5	10	117	Horatio, ditto	0	41	9	7
40	Malabar	72	30	9	8	118	Sea Horse, do.	0	18	0	0
41	Pembroke	72	36	5	11	119	Acheron, ditto	0	10	8	5
42	Pitt	72	32	0	0	120	Ariel, ditto	0	0	6	7
43	Russell	72	26	3	6	121	Beaver, ditto	0	21	8	8
44	Sultan	72	32	0	1	122	Caradoc, ditto	0	1	0	0
45	Boscawen	70	4	0	0	123	Centaur, ditto	0	3	0	7
46	Cumberland	70	6	0	0	124	Conflict, ditto	0	2	0	0
47	Chichester	50	5	0	0	125	Cyclops, ditto	0	9	6	12
48	Conquest, Ador	50	38	3	10	126	Dauntless, do.	0	1	0	0
49	Cornwall	50	36	2	0	127	Dover, ditto	0	8	7	8
50	Java	50	33	4	1	128	Driver, ditto	0	8	5	8
51	Lancaster	50	25	0	0	129	Dwarf, ditto	0	6	2	1
52	Portland	50	26	4	0	130	Encounter, do.	0	2	0	0
53	Southampton	50	28	6	8	131	Fearless, ditto	0	17	7	11
54	Worcester	50	5	0	0	132	Gorgon, ditto	0	11	6	10
55	Africane	44	21	0	0	133	Hydra, ditto	0	10	7	8
56	Hotspur	44	20	0	0	134	Janus, ditto	0	4	0	0
57	Leda	44	20	0	0	135	Minx, ditto	0	2	0	0
58	Meander	44	8	0	5	136	Niger, ditto	0	2	0	0
59	Nemesis	44	22	0	0	137	Phoenix, ditto	0	16	9	6
60	Stag	44	18	9	1	138	Prometheus, do	0	9	7	4
61	Cerberus	42	21	0	0	139	Rattler, ditto	0	5	2	9
62	Clyde	42	21	0	0	140	Retribution, do	0	4	1	0
63	Clyde	42	20	0	0	141	Rifleman, ditto	0	2	0	0
64	Diana	42	26	0	0	142	Sharpshooter, do	0	2	0	0
65	Hamadryad	42	25	0	0	143	Sphinx, ditto	0	2	0	8
66	Latona	42	27	0	0	145	Spiteful, ditto	0	6	4	8
67	Laurel	42	35	1	7	146	St. Columbia, do	0	1	0	0
68	Leonidas	42	41	7	0	147	Teaser, ditto	0	2	0	0
69	Mercury	42	22	0	0	148	Termagant, ditto	0	1	0	0
70	Mermaid	42	23	0	0	149	Trident, ditto	0	3	1	1
71	Minerva	42	28	0	0	150	Triton, ditto	0	2	0	0
72	Proserpine	42	18	0	0						

The whole number of the ships of war, of different rates, in ordinary, was, in

1848, two hundred. Of one hundred and fifty it is seen that sixty-four were never in sea service, while the service of eighty-six ranges from one month to ten years. Forty-six of the two hundred have been in commission from ten to twenty years, and four have been in commission from twenty to twenty-seven years.

SECTION X.

SHIPS CONDEMNED AND BROKEN UP DURING THE TWENTY-ONE YEARS ENDING 1848.

There is no information on naval expenditure which excites reflections more grave than the list of ships condemned and broken up, most of them at a very early age.

SHIPS CONDEMNED AND SOLD, OR BROKEN UP IN 1828.

NAMES.	Guns.	SERVICE.	
		Years old.	Years. Mths.
Centurion	50	16	2 3
Phaeton	46	46	34 9
Andromache	44	21	21 11
Niemen	28	8	6 6
Cyrene	20	14	10 3
Larne	20	14	11 10
Fly	18	15	14 10
Argus	18	15	3 5
Bellette	18	14	7 2
Rover	18	20	17 6
Pilot	18	20	8 11
Cherokee	10	20	18 0
Grecian	10	29	10 3
Starling	8	11	11 0
Scorpion	0	3 mos.	0 3
Star	0	8 yrs.	none.
Otter	0	23	6 0
Arrow	0	23	8 7
St. Antonio	0	27	3 4
Intrepid	0	58	17 10
Heroine	0	60	33 0
Lapwing	0	43	14 1
Virginia	0	33	12 8

SHIPS CONDEMNED AND SOLD, OR BROKEN UP IN 1829.

NAMES.	Guns.	SERVICE.	
		Years old.	Years. Mths.
Glasgow	50	15	12 6
Doris	42	13	0 0
Valorous	28	13	7 8
Bann	20	15	8 11
Esk	20	16	11 10
Harlequin	20	15	13 6
HARRIER	18	16	10 1
Thracian	18	20	9 4
Castilian	18	19	6 2
Beaver	10	19	16 2
Bastard	10	11	7 2
Calliope	10	20	11 8
Dove	10	20	4 10
Helicon	10	20	19 10
Providence	0	12	none.
Quail	0	20	9 3
Tiger	0	21	none.
Viper	0	24	4 7
Wolf	0	28	none.
Asp	0	13	0 6
Hind	20	16	10 6
Ringdove	18	23	14 11
Bulldog	16	47	17 3
Lord Sidmouth		not recorded.	
Lady Louisa		ditto	
Nepean		ditto	

SHIPS CONDEMNED AND SOLD, OR BROKEN UP IN 1830.

NAMES.	Guns.	SERVICE.	
		Years old.	Years. Mths.
Elephant	58	44	10 8
Cephalus	18	23	8 5
Ceres	0	49	22 7
Peruvian	18	22	8 2
Sappho	18	21	15 1
Chatham	0	41	0 7
Plymouth	0	34	none.
Leander	0	17	9 0
Terpsichore	18	45	6 2
Justitia	0	93	9 9
Sea Breeze		uncertain—none.	

SHIPS CONDEMNED AND SOLD, OR BROKEN UP, IN 1831.

NAMES.	Guns.	SERVICE.	
		Years old.	Years. Mths.
Argonaut	64	49	32 0
Eclair	18	24	12 6
Heron	18	19	14 4
Pandora	18	18	16 5
Infernal	0	16	3 4
Resolution	0	31	none.
Hecla	0	16	10 4
Camel	0	20	6 0
Camilla	0	45	26 2

SHIPS CONDEMNED AND SOLD, OR BROKEN UP, IN 1832.

NAMES.	Guns.	SERVICE.	
		Years old.	Years. Mths.
Courageaux	74	32	13 1
Lancaster	64	35	10 6
Cressy	50	22	3 5
Grampus	50	30	12 4
Desirée	36	33	11 2
Prothée	32	70	38 0
Ranger	28	12	10 0
Medina	20	19	7 0
Alert	18	19	12 4
Espeigle	18	20	11 5
Grasshopper	18	19	15 0
Primrose	18	22	16 0
Ontario	18	19	3 0
Rosario	10	24	12 11
Sheerwater	10	24	10 5
Snap	10	20	9 5
Vigilant	0	11	9 11
Cornelia	0	unknown.	unknown
Euclid	0	unknown	unknown
Medina	0	60	unknown
Royal Charlotte	0	8 10m.	8 10
Antelope	0	22	none
Circe	0	unknown	unknown
Grinder	0	unknown	unknown

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1832.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years.	Mths.	
Industry	0	25	.....	none	
Lennox	0	unknown	.....	unknown	
Scrub	0	17	.....	none	
Diadem	0	50	20	.....	5
Samson	0	51	25	.....	1

SHIPS CONDEMNED AND BROKEN UP, OR SOLD,
IN 1833.

NAMES.	Guns.	Years		SERVICE.		
		old.	Years.	Mths.		
Union	104	13	2	.....	4
Sybilie	48	39	31	.....	0
Hyperion	42	20	20	.....	0
Solebay	36	50	18	.....	10
Podargris	14	24	11	.....	2
Cordelia	10	25	15	.....	3
Philomel	10	10	7	.....	9
Bittern	0	37	19	.....	0
Manly	0	21	7	.....	3
Plumper	0	20	12	.....	5
Minx	0	4	4	.....	0
Adelaide	0	6	.....	none	
Albatross	0	5	.....	none	
Highfyer	0	11	.....	none	
Linnæus	0	16	2	.....	2
Maria	0	1	2ms.	1	2
Monkey	0	2	1	.....	3
Protector	0	25	0	.....	0
Namur	0	76	29	.....	6
Creole	0	19	7	.....	0
Eden	0	19	11	.....	11

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1834.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years.	Mths.	
Canada	76	79	19	.....	3
Eurus	32	39	8	.....	9
Driver	18	37	23	.....	0
Discovery	0	45	6	.....	0
Speedwell	0	7	7	.....	0
Kangaroo	0	5	4	.....	5
Portsmouth	0	23	.....	none	
Supply	0	36	.....	none	
Hannibal	0	23	4	.....	3
Bucephalus	0	26	6	.....	10
Eurydice	0	53	32	.....	7
Monmouth	0	38	16	.....	2

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1835.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years.	Mths.	
Marlborough	74	27	6	.....	8
Renown	74	37	11	.....	1
Retribution	74	46	27	.....	1
Zenoba	18	28	8	.....	5
Alacrity	18	17	9	.....	8
Cygnæus	10	16	12	.....	9
Sphinx	10	20	8	.....	2
Hardy	0	30	7	.....	3
Rinaldo	0	27	18	.....	0
Fanny	0	8	.....	none	
Mercury	0	28	.....	none	
Excellent	0	48	18	.....	6

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1836.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years.	Mths.	
Albion	74	33	21	.....	7
Captivity	74	50	22	.....	6
Greenwich	74	27	3	.....	6
Scarborough	74	24	1	.....	3
Gibraltar	84	54	22	.....	1
Experiment	44	52	21	.....	3

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1836.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years.	Mths.	
Santa Margarita	36	52	17	.....	8
Carnation	18	23	10	.....	0
Elk	18	24	3	.....	1
Rifleman	18	27	16	.....	7
Despatch	16	24	16	.....	11
Baracouta	10	16	9	.....	1
Merlin	0	34	3	.....	9
Martial	0	31	24	.....	11
Swallow	0	15	11	.....	4
Zephyr	0	13	8	.....	0
Duchess of York	age and service unrecorded				
Mercury	Ditto				
Terrible	0	51	15	.....	7
Dover	0	35	9	.....	1
Emerald	0	41	15	.....	2

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1837.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years.	Mths.	
Salisbury	58	24	9	.....	3
Arachne	18	28	17	.....	9
Ferret	10	16	7	.....	2
Onyx	10	15	1	.....	1
Procris	10	15	6	.....	9
Port Mahon	0	38	15	.....	1
Adder	age and service not recorded.				
Immortalité	0	23	.....	none	
Prince	0	49	14	.....	3
Tamar	0	23	12	.....	3
St. Florenza	0	44	16	.....	11
Narcissus	0	36	14	.....	10
Essex	10	23	0	.....	5
Surprise	0	25	3	.....	0
Lion	0	60	24	.....	9

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1838.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years.	Mths.	
Venerable	74	30	8	.....	1
Beschermer	64	39	2	.....	2
Rainbow	28	15	11	.....	11
Gannet	18	24	14	.....	4
Falcon	10	18	3	.....	7
Royalist	10	15	12	.....	0
Frolic	0	17	9	.....	6
Goldfinch	10	30	21	.....	1
Kingfisher	10	15	6	.....	5
Pincher	10	11	9	.....	0
Aboukir	74	31	7	.....	6
Brune	74	30	7	.....	0
Imperieuse	74	33	8	.....	0
Temeraire	74	40	12	.....	9
Dasher	0	41	17	.....	4
Raccoon	0	30	10	.....	7
Christian VII.	0	31	5	.....	4
Genoa	74	24	6	.....	9

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1839.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years.	Mths.	
Windsor Castle	72	49	25	.....	6
Slaney	0	26	12	.....	8
Prince George	0	67	17	.....	6

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1840.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years.	Mths.	
Barham	50	29	13	.....	7
Harrier	18	8	6	.....	7
Nelson (cutter)	age and service not recorded.				
Malta	0	30	12	.....	6
Ganymede	0	31	10	.....	6

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1841.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years.	Years.	Mths.
Redoubtable ..	72	26	.....	none.	
Raleigh	16	35	.....	22	3
Sparrowhawk..	16	34	.....	26	1
Trinculo	16	32	.....	22	5
Zebra	16	26	.....	15	10
Harpy	10	16	.....	6	8
Pelorus	18	33	.....	23	9
Mutine	0	16	.....	14	1
Opposum	18	20	.....	11	3
Plover	10	20	.....	12	9
Spey	0	14	.....	11	4
Skipjack	2	14	5ms.	14	5
Bermuda	0	28	.....	service	none.
Boxer (steamer)	0	3	7ms.	3	7
Ariadne	0	25	.....	14	11
Barossa	0	29	.....	3	0
Captain	0	55	.....	20	10
Conflict	0	29	.....	8	6
Phebe	0	46	.....	19	11

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1842.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years	Years	Mths.
Nightingale ..	0	13	.....	12	1
Cracker	0	16	.....	6	5
Violet (steamer)	0	7	.....	0	0
Arrogant	0	34	.....	3	8
Sans Pareil....	0	48	.....	7	7

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1843.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years	Years	Mths.
Brittomart	10	22	.....	15	9
Leveret	10	18	.....	11	10
Mosquito	10	18	.....	3	4
Brisk	3	24	.....	19	4
Buzzard	10	9	.....	7	9
Charybdis	10	12	.....	11	4
Forester	10	11	.....	8	2
Starling	0	14	.....	8	1
Fury (steamer)	0	9	.....	0	0
Magnificent ..	0	37	.....	26	3
Vengeur	0	33	.....	10	10
Duke	0	65	.....	9	6

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1844.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years	Years	Mths.
Forte	44	30	.....	12	8
Algerine	10	15	.....	14	0
Weazel	10	22	.....	11	2

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1844.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years	Years	Mths.
Delight	10	15	.....	6	4
Hind	0	54	.....	0	0
Semerimas	0	36	.....	16	9

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1845.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years	Years	Mths.
Donegal	78	46	.....	17	9
Swiftsure	74	40	.....	10	10
Romney	58	30	.....	15	6
Magicienne....	24	33	.....	16	6
Clio	18	38	.....	26	11
Jaseur	18	32	.....	21	9
Pylades	16	21	.....	17	10
Rover	16	13	.....	10	3
Lynx	3	12	.....	11	9
Termagant	3	7	.....	4	4
Basilisk	6	23	.....	19	0
Fair Rosomond	2	10	11m.	10	11
Lyra	0	24	.....	12	11
Hornet	0	14	.....	12	3
Ville de Paris .	0	50	.....	17	6
Antelope	0	43	.....	16	5

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1846.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years	Years	Mths.
Scylla	18	37	.....	21	8
Etna	0	22	.....	16	5
Prompt	0	1	2m.	1	2
Beacon	0	23	.....	18	2
Industry	0	32	.....	0	0
Ruby (steamer)	0	4	.....	0	0
Sydenham (do.)	0	5	.....	3	0
Independencia ..		Age and service	not recorded.		
Milford	0	37	.....	5	2
Pearlen	0	39	.....	3	4
Snipe	0	45	.....	18	9

SHIPS CONDEMNED AND SOLD, OR BROKEN UP,
IN 1847 AND 1848.

NAMES.	Guns.	Years		SERVICE.	
		old.	Years	Years	Mths.
Wasp	18	35	.....	23	3
Enchantress ..	0	10	.....	10	0
Magnet	0	24	.....	14	6
Pigeon	0	25	.....	18	5
Pickle	0	20	3m.	0	0
Emerald	0	27	.....	15	7
Castlereagh ..	0	2	5m.	2	5
Swallow (strm.)	0	17	.....	9	11

THE LIVERPOOL FINANCIAL REFORM ASSOCIATION.

The *Objects* of this Association are to procure the most rigid economy in the Public Expenditure consistent with good and efficient government, and to change the present system of Taxation, by the substitution of *Direct* for *Indirect* Taxes. The reasons may be found in the Tracts.

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FINANCIAL REFORM TRACTS.

No. 14.

MISCELLANEOUS ABUSES.

It is a difficult task to render intelligible that portion of the public accounts called the "Miscellaneous Estimates," for it is a mere heap of heterogeneous items confusedly thrown together, some of which are permanent and regular expenses—others only temporary and casual. There is certainly an appearance of classification, but it is more delusive than explanatory. If the finance accounts were deliberately drawn up to perplex and deceive they could not possibly be more obscure and confused than they now are. For example, in the account for 1847 of the income and expenditure of the *Customs* there are—

Payments to naval officers in the Plantations	£2,989
Sums paid into the Royal Bank of Scotland towards the support of the Judicial Establishments of that country	93,227
Payments in support of the Civil Government of the Isle of Man	9,334

In the *Excise* accounts there are—

Pensions to Duke of Grafton and Earls Cowper and Bath	9,987
Salaries and incidents of the White Herring Fishery Board	11,500
Commissioners of the Fishery Board	5,478
Salaries and allowances to the Keepers of the Privy Seal and Sheriffs and Stewards depute, and their substitutes	36,710
Annuity and charges of management payable to the Equivalent Company in virtue of Royal sign-manual	10,600

In the *Assessed Taxes* accounts there are—

Augmentation of stipend to clergy	17,823
Commissioners for Highland roads	5,000

In the *Post-office* accounts there are—

Pensions to Dukes Grafton, Marlborough, and Schomberg	10,307
Money paid the Commissioners for carrying into execution the several acts relating to the issue of Exchequer Bills for Public Works on account of the Milford Road Fund	875

For returned, refused, mis-sent, and re-directed letters, and overcharges, £44,011 is deducted from the gross receipts; but a note at the foot of the page says, that £20,098 out of the £44,011 is the amount of postage charged on the East India Company for the year ended 5th of January, 1848, written off by order of the Lords of her Majesty's Treasury. However, in spite of the peculiarities of Government book-keeping, exemplified in the foregoing specimens, the total amounts cannot be

concealed. The Miscellaneous Estimates for 1848 amount to *half as much again* as they were in 1838, as is shown in the following statement:—

	1838.	1848.
Public Works and Buildings	£229,363	£483,976
Salaries, &c., Public Departments	689,334	1,043,225
Law and Justice	591,945	1,032,727
Education, Science, and Art	155,874	397,520
Colonial and Consular Services	352,135	426,367
Superannuations and Charities	193,988	176,458
Special and Temporary Objects	213,310	110,084
Civil Contingencies	120,000	100,000
	<u>£2,545,949</u>	<u>£3,770,427</u>

The following is a more detailed list of the purposes for which this sum of £3,770,427 was voted in 1848:—

PUBLIC WORKS AND BUILDINGS.

Public Buildings and Royal Palaces	£120,923
Buckingham Palace	30,000
Palm-house at Kew	8,410
Houses of Parliament, temporary	4,234
New Houses of Parliament	120,000
Insolvent Debtors' Court	21,300
Isle of Man: Courts of Law, &c., at Douglas	4,050
Holyhead Harbour, Roads, &c.	12,792
Harbours of Refuge	131,000
Public Buildings, &c., in Ireland	23,167
Kingstown Harbour	8,100

SALARIES, &c., PUBLIC DEPARTMENTS.

Two Houses of Parliament	30,000
Treasury	57,700
Secretary of State, Home Department	18,700
Ditto Foreign ditto	72,500
Ditto Colonial ditto	27,461
Privy Council Office and Office for Trade	41,000
Lord Privy Seal	2,000
Paymaster General	29,966
Paymasters of Exchequer Bills	
Exchequer, and Paymaster of Civil Services	12,836
State Paper Office	2,680
Ecclesiastical Commissioners, England	3,540
Poor-law Commission	103,000
Poor-law, Auditors of Unions	13,000
Ditto Schoolmasters	35,000
Ditto Medical Relief	85,000
Mint, including Coinage	50,268
Railway Department	13,672
Public Records	14,023
Inspectors and Superintendents of Factories, &c.	12,514
Offices in Scotland	1,755
Household of the Lord Lieutenant of Ireland	6,464
Chief Secretary's and Council Offices, Ireland	22,658
Paymaster of Civil Services, Ireland	5,546
Commissioners of Public Works, Ireland	40,800
Secret Service	39,000
Printing and Stationery	302,362

LAW AND JUSTICE.

Law Charges, England	9,000
Mint, Prosecutions relating to Coin	9,600
Sheriff's Expenses, Officers of the Court of Exchequer, &c.	16,000
Insolvent Debtors' Court	10,630
Criminal Prosecutions, and other Law Charges, Scotland	63,475
Criminal Prosecutions, and other Law Charges, Ireland	71,991
County Rates, Expense of Prosecutions, &c.	348,000

LAW AND JUSTICE.

Prison at Parkhurst	£13,155
Model Prison, Pentonville	17,204
Prison at Milbank	45,334
Prison at Perth	8,707
Convict Depôts, Dublin, and Constabulary Barrack	679
Criminal Lunatics, Bethlem Hospital	4,202
Inspectors of Prisons, Prison Board, Scotland, &c.	10,250
Police of Dublin	36,500
Convicts at Home, at Bermuda, and at Gibraltar	151,000
Convict Expenditure, New South Wales, and Van Diemen's Land	217,000

EDUCATION, SCIENCE, AND ART.

Public Education, Great Britain	125,000
Ditto Ireland	120,000
Schools of Design	10,000
Professors at Oxford and Cambridge	2,006
University of London	4,178
Universities, &c., in Scotland	7,480
Royal Irish Academy	300
Royal Hibernian Academy	300
Royal Dublin Society	6,000
Belfast Academical Institution and Theological Professors	3,442
British Museum, Establishment	48,445
British Museum, Buildings	42,038
British Museum, Purchases	8,766
National Gallery	1,500
Museum of Practical Geology and Geological Survey	10,798
Scientific Works and experiments	5,267
Nelson Monument, Completion	2,000

COLONIAL AND CONSULAR SERVICES.

Bahamas	3,410
Bermudas	4,049
Prince Edward's Island	3,070
Sable Island, Nova Scotia	400
Western Coast of Africa	13,680
St. Helena	11,509
Western Australia	7,538
Port Essington	2,725
Falkland Islands	5,040
New Zealand	20,000
Labuan	9,827
Heligoland	1,023
Governors and others, West Indies	18,028
Clergy, North America	11,578
Indian Department, Canada	14,308
Emigration	13,451
Justices in the West Indies, Mauritius, &c.	41,150
Captured Negroes' Support, &c.	30,000
Commissioners for Suppression of Slave Trade	23,000
Consuls Abroad	123,190
Hong Kong, and Ports in China	49,400
Ministers at Foreign Courts; Extraordinary Expenses	20,000

SUPERANNUATIONS AND CHARITIES.

Superannuation and Retired Allowances	77,200
Toulonese and Corsican Emigrants, American Loyalists, &c.	4,600
Vaccine Establishment	2,000
Refuge for the Destitute	3,000
Polish Refugees and Distressed Spaniards	10,700
Miscellaneous Charges formerly on Civil List, &c.	6,669
Foundling Hospital, Dublin	3,000
House of Industry, Dublin	14,975
Female Orphan House, Dublin	1,000
Westmoreland Lock Hospital, Dublin	2,500
Lying-In Hospital, Dublin	1,000

SUPERANNUATIONS AND CHARITIES.

Dr. Steeven's Hospital, Dublin	£1,500
Fever Hospital, Cork-street, Dublin	3,800
Hospital for Incurables, Dublin	500
Non-conforming and other Ministers, Ireland	36,837
Concordatum Fund and other Charitable Allowances, Ireland	7,177

SPECIAL AND TEMPORARY OBJECTS.

Commission on Criminal Law	3,400
Metropolitan Sanitary Commission	2,500
Navigation in Ireland connected with Drainage	32,000
Ambassador's Residence at Paris	1,184
Ambassador's Residence at Madrid	3,000
Steam Navigation to India	50,000
Militia and Volunteers in Canada	16,000
Lighthouses at Barbadoes, Newfoundland, and Cape of Good Hope	2,000
Civil Contingencies	100,000

It must not be imagined, however, that the foregoing figures represent the total cost of any branch of the Government. The reader only learns from them that the sum specified in each item would be spent upon that particular object; but he must bear in mind that, in many instances, that amount is only a part of the total annual expenditure upon that object; for, in addition to these sums, large amounts are paid out of the consolidated fund which do not appear in the estimates. Nor is the money taken in its progress to the Exchequer included, which in the year ending 5th January, 1847, amounted to the enormous sum of £7,004,438. But as the House of Commons has publicly condemned this vicious practice, it will doubtless be speedily abolished, and the total gross revenue be subjected to the legitimate and constitutional control of the national representatives.

ROYAL PALACES.

In the estimates for 1848, the expense for ordinary works and repairs of Windsor Castle, Hampton Court Palace, Kew Palace, Kensington Palace, Buckingham Palace, St. James's Palace, Royal Mews, Carlton Stables, Marlborough House, Adelaide Cottage, Frogmore House, and the Royal Pavilion at Brighton, and for works in the Royal Gardens (formerly charged on the Civil List), amounts to a total sum of £45,057. The expenses of repairing these Palaces during the last ten years has been as follows:—

1838	£30,227	1844	£43,880
1839	32,057	1845	44,730
1840	42,709	1846	45,728
1841	49,567	1847	43,301
1842	45,769		
1843	43,591		£421,559

Similar expenses for Holyrood Palace and Linlithgow Palace are included in a total of £7,799 for Royal public and ecclesiastical buildings in Scotland, heretofore defrayed out of the revenues of the Crown. The estimated sum which will be required for enlarging and improving Buckingham Palace is £150,000. £70,000 of this has already been spent, £30,000 more will be taken this year, and £50,000 will remain to be provided in future years. The repairs in Hampton Court Palace connected with the apartments of Miss Copley, Lady Montgomery, Miss Walpole, Mrs. Ellice, Sir H. Seymour, and Lady Emily Ponsonby, will cost this year above £4,000. The hot-house in the Royal gardens at Kew has already cost £27,500; £8,410 more is needed this year, and £1,100 will still be required to complete it.

Although the Association would not advocate any retrenchment which may, by any possibility, encroach upon her Majesty's comfort or convenience, they must express their strong conviction that a most needless number of buildings are maintained as palaces, more than actually are, or can possibly be, used by the Queen. The system

appears to have been to retain in the hands of the Crown all the buildings that have, from time to time, been occupied as palaces; though disused by succeeding sovereigns, for whom new ones have been erected.

Of the foregoing palaces, only Windsor Castle and Buckingham Palace are used as residences by her Majesty; and it is notorious that many of the others have been perverted into aristocratic almshouses, in which impoverished branches of the nobility reside in palatial splendour, at the expense of the nation. Deducting the repairs of Windsor Castle and Buckingham Palace, amounting to £128,760, from the £421,559 spent in palace repairs during the last ten years, the sum of £292,799, or about £30,000 a year, remains as the actual outlay for ordinary repairs of these supernumerary palaces.

As to Kew Palace, the Hon. C. Gore says, in his evidence before the Committee,* on miscellaneous expenditure:—"I do not think that any member of the Royal Family, or anybody except the housekeeper, has lived there for many years." The palace thus maintained as the residence of a housekeeper has cost the nation for repairs during the last ten years £23,724. It may be remarked, in connexion with this palace, as an instance of the inconsiderate waste which has long prevailed in this branch of the expenditure, that great expenses have recently been incurred at Kew in destroying and clearing away the shell of a large unfinished palace which was built by George III. An immense sum was wasted in the partial erection of this useless building, and now more money is needlessly thrown away on its destruction.

The Pavilion at Brighton has for years been completely unoccupied. Its sale (which was determined upon some time ago) is delayed until the Lord Chamberlain may choose to issue orders for the removal of some furniture left there by George IV. Meanwhile the annual bill for repairs appears in the estimates, amounting in the last ten years to £18,719.

The nation having paid for the building of the Pavilion and all subsequent repairs, it is not unreasonable to suppose that it is national property; and yet the Hon. C. Gore informed the Committee that the proceeds of the sale will not go into the national treasury to diminish the general taxation, but will "go in aid of the Parliamentary grant for the new buildings at Buckingham Palace."

In addition to the money actually spent on palaces, there are sums voted in the estimates as for palace repairs, which are in fact laid out upon houses, in the permissive occupation of various parties in favour of the Crown. Thus the King of Hanover and the Duke of Cambridge have each the use of houses on Kew Green. Sir George Quintin, Mr. Aiton, Lord John Russell, Lord Aberdeen, Lady Jocelyn, Sir Edward Bowater, the Duchess of Gloucester, the Duchess of Kent, and the Queen Dowager, occupy houses in Richmond Park, Kew Green, Frogmore, and other places; all of which are not only occupied rent free, but are also kept in repair at the expense of the nation. It is manifestly unjust to saddle these charges upon the national revenue, and uncandid to place them in the public accounts in such a manner as to convey the false impression that the money is employed for her Majesty's palace accommodation.

The Financial Reform Association would urge the propriety of forthwith freeing the nation from the expense of maintaining supernumerary palaces; and they feel certain that her Majesty would gladly consent to a course so consonant with just economy, and which would so clearly demonstrate that a sincere and earnest intention of making all possible efforts to lighten the national load of taxation is really entertained by the Government.

LORD-LIEUTENANT OF IRELAND AND HIS VICE-REGAL COURT.

This parody upon Royalty costs annually as follows:—

Lord-Lieutenant's salary	£20,000
(MEM.—The Prime Minister of the United Kingdom receives a salary of £5,000 a-year.)	

* The Committee here referred to, and which is frequently mentioned in this tract, is the Select Committee of the House of Commons, appointed 22nd Feb., 1848, to inquire into the expenditure for miscellaneous services.

Chief Secretary	£5,500
Under Secretary	1,789
Other clerks and office expenses	15,369
Private Secretary	829
Four Aides-de-Camp, £161 18s. 4d. each	647
Steward to the Household	506
Comptroller of Household	413
Chamberlain	200
Gentleman Usher	200
Gentleman of the Bedchamber	184
Two Gentlemen-at-large, £128 18s. 8d. each	257
The Association cannot explain the meaning of this mysterious title, as they have been unable to discover the official duties of the Lord-Lieutenant's "Gentlemen-at-large."	
Master of the Horse	200
Ulster King-at-Arms	75
Cork Herald	12
Athlone Pursuivant	11
One Pursuivant	26
Clothing for Officers of Arms, Heralds, Pursuivants, and State Trumpeters	316
"There are no State Trumpeters now; they have been all abolished. The question is whether this £316 8s. 2d. is to be regarded by Ulster King-at-Arms as an annual perquisite of his own, because it is well known that it is not expended upon clothing, although so voted.— <i>Report Mis. Expenditure, q. 3,985.</i>	
Clerk, Porter, and Messenger, at Record Tower	76
Chaplain to the Castle	184
Reading Clerk	41
Organist and Master, including an allowance of £147 16s. 8d. for six singing-boys	240
Two singing-men	74
Keeper of the Chapel	98
Surgeon of the State	100
Sergeant of the Riding-School	30
Gentleman Porter of Dublin Castle	51
State Porter of Dublin Castle	61
Five Office Messengers	309
One Queen's ditto	150
Four Riding ditto, at £133 each	532
"Where do they ride to? About Dublin, from the Phoenix-park backwards and forwards, in and about Dublin."— <i>Report Mis. Ex., q. 4,022.</i>	
Fuel for offices and official residences	1,700
Newspapers	800
Fifteen Racing Cups, one at £92, four at £105, and ten at £106	1,574
There is a similar charge upon the national revenue for the encouragement of horse-racing in England and Scotland.	
For annual repairs and furniture of Dublin Castle	5,005
For annual repairs and furniture of Viceregal Lodge and Gardens	2,625
For annual repairs and furniture of Chief Secretary's Lodge	695
For annual repairs and furniture of Under Secretary's Lodge	315
For annual repairs and furniture of Private Secretary's Lodge	90

PUBLIC BUILDINGS AND IRISH PUBLIC WORKS.

The erection and repairs of public buildings are in England entrusted to the Commissioners of Woods and Forests, and in Ireland to the Board of Public Works. Both these Boards need a thorough change in their constitution, so as to bring them more immediately beneath the supervision of the Treasury, and to do away with that partial independence and irresponsibility which both have assumed with regard to their finance accounts. This remark more particularly applies to the Irish Board, who, in defiance of an Act of Parliament, which makes it imperative that all public accounts shall be rendered within three months after the close of the year, have not yet presented accounts which are above ten years in arrear. In consequence of the

the non-audit of these accounts, one of the officers, a Mr. Mason, committed a series of frauds, (amounting to £8,000, and extending over several years), without detection.

But the change more particularly needed with regard to the Irish Board of Public Works, is the annihilation of the system of grants and loans, the administration of which now forms the principal portion of their labours. The Association protest most strongly against this wholesale misapplication of the national funds, which exists for the sole benefit of Irish landlords, and by which a large proportion of the charges which should fall upon the owners of land are borne by the British Government. There is now an outstanding balance on account of these loans of above eight millions sterling, as is shown in the following account:—

AN ACCOUNT OF ADVANCES TO IRELAND FOR PUBLIC WORKS, &c., AND RE-PAYMENTS, TO JAN. 5, 1848.

Purpose for which advances were made.	Advances.	Repay-ments.	Balance due.
	£	£	£
Boards of Health.....	267,359	234,948	32,411
Roads and bridges	824,247	766,041	58,205
Gaols	727,491	617,668	109,823
Lunatic Asylums	774,370	700,443	73,927
Valuation of lands and tenements	189,984	156,883	33,101
Police	3,333,304	3,297,359	35,945
Building schools	10,293	8,735	1,558
Tithe composition	279,451	51,724	227,727
Public works.....	7,183,208	1,149,942	6,033,266
Improvement of the river Shannon.....	286,680	172,479	114,201
Dunleary Harbour	218,769	29,207	189,562
Commissioners of Wide Streets, Dublin.....	263,624	14,632	248,993
Relief of Trade.....	178,076	127,329	50,748
Commissioners of Drainage (for preliminary inquiries)	13,500	..	13,500
Ditto of Fisheries (for ditto ditto)	500	..	500
Court of Exchequer	8,868	..	8,868
Improvement of landed property.....	93,000	..	93,000
Temporary relief of destitute persons.....	953,552	3,688	949,863
	15,606,276	7,331,078	8,275,198

The Association are unable to state what proportion of this enormous sum is irremediably lost, nor can they show the sums given from time to time by Parliamentary grants, but they find that £63,399 was thus paid out of the Consolidated Fund in 1847; and one single act (9 and 10 Vic., c. 107) disposes of £4,848,000, one-half by way of grant, and the other a loan.

With regard to this system, the following remarks (in which the Association completely coincide) were made by a witness before the Committee on Miscellaneous Expenditure:—

“ I think it would be far more satisfactory, and far more for the interest both of the empire at large and of the landed proprietors and others interested in Ireland, if that false system of loans for public works and other local objects were brought to an early close. I conceive that it places the Government in a most false and injurious position towards the whole body of the people; it places it in the relation of creditor to debtor to every landed proprietor and farmer all over the country, and it continually poisons and irritates the public mind by the necessity the Government is under of recovering the public advances. I conceive, also, that it nourishes and perpetuates the habit of dependence upon others, which prevails to so great an extent in Ireland; and I am of opinion that nothing could be done which would have so great a tendency to consolidate the empire, and to give a new spring to the energies of Ireland, as to cease to grant any public assistance of this sort whatever.”

It is most unjust to the rest of the kingdom thus to give or lend a portion of the revenues of the State to Irish landlords, as that money was with difficulty spared out of British earnings to defray the real expenses of Government.

The relative importance and urgency of different public works has been totally

lost sight of, for while £37,000 (as previously stated) is being expended upon the hothouse in the Royal Gardens at Kew, no provision is made for the safe custody of the Public Records, although many Parliamentary committees have strongly recommended the erection of a suitable building for such purpose, and the State Papers are now not only almost inaccessible, but run imminent risk of destruction by fire.

The Association must also remark upon another point connected with the erection of public buildings. In many cases their probable total cost, as stated when their erection was originally proposed to Parliament, has been enormously exceeded by the actual outlay. Whether this arises from accident or design, it is alike culpable and injurious; for, by thus estimating the total expense too low, Parliament is deceived into permitting buildings to be commenced, and is then obliged to vote money to finish them. For instance, the estimated cost of the New Houses of Parliament, when first proposed, was £707,104, while £1,065,900 has already been voted, and the probable total expense may now be put down at £2,000,000, or treble the original estimate. The Committee distinctly state in their report, that "they are convinced that an adequate control has not been exercised over this large expenditure." The slow progress which has been made in the erection of these New Houses of Parliament also causes great expense, £185,248 having already been spent upon the temporary accommodation of Parliament.

The expense of ordinary and casual repairs of Public Offices is put down in this year's estimates at £38,791; and for the ordinary annual supply of furniture (exclusive of the Houses of Parliament and Courts of Law), £11,715.

SALARIES AND EXPENSES OF THE HOUSE OF COMMONS AND THE GOVERNMENT OFFICES.

At present it is scarcely possible to discover the actual expense of any branch of the Government, for almost every one is paid in three different ways, namely: out of the Consolidated Fund, by annual Parliamentary grants, and by fees.

The Association cannot discover any advantage in separating the expenses of Government into the different accounts of Civil List, Consolidated Fund, and the Annual Estimates; though they perceive that the consequent complexity of the finance accounts frequently prevents the detection of extravagance. It would be a great improvement (and by no means a difficult task) so to draw up the Estimates as to show at a glance the separate expenses of the Royal, Civil, Judicial, Colonial, and Military and Naval branches of the Government.

Concerning the Public Offices, the following evidence was given before the Committee by Sir C. Trevelyan, whose official position would give him ample opportunities of forming a trustworthy opinion:—"I think there is a great deal of work in the public departments which is superfluous, arising out of the perpetuation of old forms. There are a number of offices which are completely effete as practical offices for the transaction of business, and exist merely for the preservation of antiquated forms." The preservation of patronage is, perhaps, a more probable reason why these useless offices are not abolished. There is scarcely any public trust more misused than the power of appointing to offices. The common practice of making such appointments on account of the rank and connexions of the parties, without regard to their competency, is deeply injurious to the State. It betrays a lamentable absence of moral principle, when a public officer, to whom is entrusted the responsible duty of appointing others, is influenced in the exercise of that high trust by personal and selfish considerations.

The Committee recommend, in their report, a general revision of all salaries, in order that they may be made suitable to the altered circumstances of expense, and condition of the country since they were originally fixed. They say that, in the course of such an examination, it would be found advisable, also, to establish a more uniform rate of payment for similar services in different departments. It is to be hoped that this excellent recommendation will be at once acted upon, as the need for such a revision is very apparent.

The expenditure of the House of Commons is, at present, on a most extravagant

scale. There is some hope, however, of a change, since the Committee have suggested many important reductions in these expenses; though, even these suggestions do not go so far as, in the opinion of this Association, is practicable and expedient.

The following is a list of the officers of the House of Commons, and their present annual salaries:—

Speaker	£5,000
Chaplain	400
Secretary to the Speaker	500
Counsel to the Speaker	1,500
His Clerk	150
Examiner of Standing Orders	1,750
Taxing Officer	1,000
Librarian	1,000
Assistant Librarian	250
Messenger	140
Four Vote-office Clerks, £800, £300, £180, £120	1,400
Four Clerks at the Table, £3,500, £2,500, £1,000, £100	7,100
Seven Public Bill Clerks, £1,900, £800, £800, £500, £400, £300, £200	4,900
Seven Journal Clerks, £1,349, £1,030, £1,000, £928, £591, £339, £204	£5,441
Also for extra work	1,090
	6,531
Thirteen Committee Clerks, £1,100, £900, £800, £750; four at £500, £400, £250; and three at £200	6,800
Three Ingrossing Clerks, £800, £550, £300	1,650
Six Private Bill Clerks, £800, £450, £350, £250, £250, £150	2,250

The chief duties of the head clerks of these offices are to make minutes of the decisions of the House and the Committees. At the Vote-office a register is kept of all papers printed by order of the House. The Journal clerks compile a journal of the proceedings. The Ingrossing clerks make copies of bills on parchment.

Sergeant-at-Arms	1,500
Deputy ditto	1,000
Assistant ditto	525

Their duties are to maintain order (with the aid of the police) in the lobbies and passages, and at the command of the House to order the messengers to take persons into custody.

Three Door-keepers, £874, £400, £200	1,474
Four Messengers, at £300 each	1,200
Four extra ditto, three at £105, and one at £120	435

The Messengers' duties are to wait in the lobbies and galleries, and to take persons into custody when commanded to do so by the Sergeant-at-Arms.

The Sergeant-at-Arms holds the nominal office of Housekeeper, but all the duties are performed by the Deputy-housekeeper.

Deputy housekeeper	£500
And, in lieu of apartments	100
	600

The duties of this office are thus described by himself:—"I have the charge of all the stores, the ordering of the stationery, and the coals, and candles, and the housekeeping in general, except the eating and drinking; I have nothing to do with that." The present deputy-housekeeper is also secretary to the privy purse, at a salary of £300 a year.

Superintendent of Waiting-room	200
Assistant and Porter to ditto	132
Attendant on Ventilation	105
Watchmen, &c.	1,002
Temporary Messengers and Porters	900
Retired allowances and compensations	5,399

Considering that the foregoing officers are only employed during the Parliamentary session, or about six months in the year, and that none of the work requires more than ordinary intelligence, and much of it is mere copying, it is evident that most of the salaries are grossly exorbitant. When an extravagant salary is attached to a public office, it is doubly injurious, for it is made a standard whereby to measure the remuneration of others. Thus the chief Clerk of the House of Commons told the Committee that £2,000 a year would be too low a salary for his office, because the Clerk of the House of Lords had £4,000 a year.

The following is an account of the principal Government offices, drawn up from Parliamentary documents:—

Treasury—Salaries	£50,748	
Messengers	3,555	
Contingencies	3,300	
		57,603
Retired Allowances (estimates)		7,874
Ditto (Consol. Fund)		9,950
		75,427
Home Office—Salaries	£21,009	
Extra Allowances, &c.	4,425	
Messengers	1,825	
Alien Clerk, &c.	720	
		27,979
Retired Allowances (estimates)		3,304
Ditto (Consol. Fund)		1,000
		32,283
Foreign Office—Salaries	£26,848	
Messengers	33,806	
Contingencies	7,983	
		68,637
Retired Allowances (estimates)		6,088
		74,725
Colonial Office—Salaries	£20,408	
Contingencies	4,852	
		25,260
Retired Allowances (estimates)		7,618
Ditto (Consol. Fund)		3,000
		35,878
Privy Council—Salaries	£30,220	
Contingencies	6,767	
		36,987
Retired Allowances (estimates)		665
		37,642
		£255,955

It is not necessary to give the details of each office, but the Association will show the separate salaries of the Treasury, as it is the first on the list, and it will serve as an index to the saving which might be effected in the public offices, if, in each case, the emolument were fairly proportioned to the work. It is scarcely necessary to say that the salary attached to any office should, of course, be the lowest sum at which trustworthy efficient men can be obtained to perform the duties of that office, for no other rule can be adopted with justice to the nation.

The following are the annual salaries of the Treasury Department:—

First Lord of the Treasury	£5,000
Chancellor of the Exchequer	5,000
Four Junior Lords, at £1,200 each	4,800
Two Secretaries, at £2,500 each	5,000
Assistant ditto	2,500
Auditor	1,200
Principal Clerk	1,200
Assistant ditto	1,200
Law-clerk	1,000
Five Chief Clerks—£1,350, £1,200, £1,150, £1,000, £1,000	5,700
Six Senior ditto, from £600 to £800 each	4,400
Thirteen Assistant ditto, from £300 to £500 each	6,510
Thirteen Junior ditto, from £90 to £200 each	1,930
Seventeen other ditto, from £150 to £700 each	4,588
Five extra ditto	720
	£50,748

It will be seen that there are seventy-two persons employed in the Treasury, eighteen of whom receive salaries of between £1,000 and £5,000 a-year each. The nation, which is taxed to support a staff of officials so numerous and well paid as

this, may reasonably expect that the duties of the Treasury Department are not neglected. The use and purpose of the Treasury-office is to supervise and control the expenditure of the other departments; and the present position of our national finances (a deficit of above two millions, in spite of a net income of fifty-two millions—the expenditure, exclusive of interest on the Debt, half as much again in 1848 as it was in 1835) shows how the work at the Treasury has been performed. If the duties of the Treasury officers are examined and compared it will be found that in this, as in most of the Government offices, the work and the wages have been shared in very different proportions. The duties of the Junior Lords, for instance, are extremely light. They occasionally attend the Board, and they sign the Treasury warrants. Concerning the latter branch of their labours, the following evidence was given by Sir C. Trevelyan:—

“Are three signatures necessary for every warrant?—Yes.

“Is it necessary for the three parties to be present at the Board?—No; it is a separate proceeding altogether.

“One may be in Scotland, another in Ireland, another in England?—Yes; it is merely a legal form.

“Is it not necessary that they should have heard the reasons for the particular warrant, in order that they should sign it?—No; it is a separate transaction altogether. Three signatures are necessary to give validity to the document.”

The same witness, when speaking of the first division of Treasury clerks, said, “There cannot be a doubt that this portion of the Treasury establishment is over-paid as compared with the nature of the business done by them. The business is principally of a mechanical kind, such as copying the minutes, letters, and warrants, which would more properly be done by the class of extra clerks who are trained to this kind of work, and to whom a much lower rate of remuneration affords a sufficient motive for exertion. I conceive it to be a great waste of public money that gentlemen rising from £300 to £1,000 a-year are employed on what could be done equally well, and if anything better, by persons whose business it is, on a much lower rate of salary.” “With regard to all the chief clerks, those gentlemen receiving £1,000 a-year, a great portion of their time is employed in mere copying? Yes; it is a great anomaly.” He also says, that for want of a proper division of labour some of the best-paid officers of the Commissariat branch of the Treasury are employed on the least important duties.

It is unnecessary to examine the expenses of the other offices in detail, but it may be mentioned that the Secretary of State for the Home Department, when questioned about the duties and salaries of the parties employed in his office, says:—“With regard to the alien agents, I confess I have never been able to discover the use of them;” nevertheless he does not appear to have taken any measures for the abolition of the offices whose uselessness he so candidly acknowledges. In the Foreign-office, the librarian receives £800 a-year, and the sub-librarian £545, the duties of the latter being “to see that the books have been properly bound, registered, and indexed;” and yet there is a proof, in the same office, that the services of men of great learning and very superior qualifications can be obtained for a much less sum. The translator, who is required to know almost all the foreign languages of Europe, and who understands many of the Eastern languages too, and is constantly very hard worked, receives a salary of £300 a-year. The system of compensation has been carried, in this office, to a most absurd extent, the under-secretaries and clerks obtaining a compensation allowance because presents of diamond snuff-boxes are no longer received upon the ratification of treaties.

The expense for 1848 of providing stationery and printing for the Government offices and Houses of Parliament is as follows:—

Government Offices		£171,240
Houses of Parliament	£127,000	
Deduct amount expected to be received from sale of Parliamentary Papers	7,000	120,000
Expenses of Stationery Office		11,122
		<u>£302,362</u>

In 1838, £206,946 was expended upon printing and stationery ; in 1848, £302,362, or *one-half more* than it was ten years ago.

The magnitude of this item is less astonishing when such facts as the following are taken into consideration :—

Report on miscellaneous expenditure, Q. 857, “The Home-office, and the Foreign-office, and other offices, use very expensive paper, even for the commonest and most trifling matters. I know of nothing in which there is more unalloyed and unadulterated extravagance.”

Q. 919. “Mr. Hansard gets fifty per cent. for doing that which Messrs. Clowes, or any respectable printer, would do for ten per cent., and would be most anxious to do for ten per cent.”

Q. 948. “Corrections (in a single bill) which cost £750, might have been all made at an outlay of £5 in the manuscript.”

The stationery office establishment consists of—

1 Comptroller, salary	£1,000
4 Clerks, salary £400 each	1,600
26 Clerks, salary from £90 to £350	4,430
24 Warehousemen, salary from £70 to £125	1,892
Contingencies (one item of which is dogs and cats meat, £10)	2,200
	<hr/>
	£11,122

Among these thirty clerks there is an examiner of paper, an assistant examiner, and a deputy assistant examiner ; yet one witness, speaking of the quality of the stationery, said that “the pens were so bad, and the paper so woolly, that one might just as well try to write with a stick upon a sheep’s back.”

From the foregoing facts, it is evident that the amount of saving upon the charges of the public offices, which would accrue to the nation if the Government would honestly make arduous attempts to economise, instead of endeavouring to defend abuses by plausible fallacies, can scarcely be over-estimated.

SUPERANNUATION ALLOWANCES.

ANNUAL SUPERANNUATION ALLOWANCES.

Departments.	Amount payable 1st. Jan., 1848.
Treasury	£3,791
Privy Council	1,000
Home Office	3,198
Foreign Ditto	5,465
Secretary for Ireland	1,420
India Board	6,162
Commander-in-Chief	1,399
War Office	2,410
Late Army Pay Office	1,000
Comptroller of Army Accounts	1,780
Royal Military College	1,146
Commissariat	1,444
Ordnance	26,816
Admiralty	49,467
Customs	143,232
Excise	144,587
Stamps and Taxes	14,504
Post Office	15,860
Audit Office	4,604
Woods and Forests	6,549
Stationery Office	1,339
Convict Establishment	1,379
Consuls abroad	9,107

ANNUAL SUPERANNUATION ALLOWANCES—(Continued).

Departments.	Amount payable 1st Jan., 1848.
Officers of Queen's Prisons	1,042
Sundry offices	9,003
Total	<u>£157,704</u>
Less amount deducted from salaries in 1847	40,364
Actual charge on the public	<u>£117,340</u>

There is no sound reason why a man, having once been employed by Government, ought therefore to be maintained for the rest of his life, or that he should in any way be treated differently from one in private employment. At present, we find that the Government officials—who obtain their appointments by personal interest, and who pass through no examination as to fitness, and need no proof of skill, and not much proof of character—are preserved from the consequences of their own folly, and the chances of fortune to which all other men are exposed. Improvidence in private life is punished by the poverty it produces; why should any class be made an artificial exception to this natural law?

The custom of giving superannuation allowances to Government officials, in addition to high salaries while working, is altogether false in principle, for, by proper frugality, they, like other men, can and ought to save a sufficiency for their own maintenance in old age. A plan has, however, been, in some instances adopted, of deducting annually a per-centage from the salaries to meet these allowances. There would be no serious objection to this system, if it were fairly carried out, but this has not yet been the case. Many of those who obtain superannuation allowances escape from this deduction, and even in those departments to which the rule has been applied, the rate of per-centage is so low, as to be quite inadequate to cover the payments.

It is impossible to say why the pay of Custom-house officers in England should be subject to this deduction, and not those in Ireland; why the clerks in the office of Woods and Forests should be exempted from a charge to which the clerks in the Stamp-office are subject; why nearly all those employed in the offices of receipt should be treated differently from those in the offices of expenditure; yet such is the case at present. If the superannuation system is to continue, these arbitrary and absurd distinctions ought to be at once abolished, and an adequate proportion deducted annually from the salaries of all those officials to whom superannuation allowances will in future be granted.

Certain sinecure offices used to be specially reserved for the purpose of superannuating the Clerks of the House of Commons; but they objected to the ignominy of being placed in their old age among the dishonourable crowd of sinecurists, and the plan was changed. The honourable feeling of these old clerks contrasts strongly with the meanness of those high-bred courtiers who cozened and intrigued to obtain even the reversion of a sinecure. The following will illustrate the tone of feeling which prevails among the latter class:—

A Mr. Greville was examined, among other witnesses, by a Committee of the House of Commons, which sat in 1835, to enquire into Colonial sinecures. He was both a pluralist and a sinecurist, holding at least one office in England and four offices in Jamaica. He was Clerk of the Privy Council in England, and Secretary, Commissary and Steward-General, Clerk of the Enrolments, and Clerk of the Council in Jamaica; and although he pocketed for a long series of years the large salaries attached to those offices, *he never in his life set his foot in Jamaica*. He however sent a pompous memorial there to explain that, being Clerk of the Privy Council in England, he could not do the *work* in Jamaica, but he made no apology for taking the *wages*. By Royal Letters Patent, under the Great Seal of the United Kingdom, Charles Cavendish Fulk Greville, of the City of Westminster, Esquire, was legally entitled to be supported in idleness and luxury out of the earnings of the industrious and frugal for the rest of his natural life.

Fearing lest the Committee on Colonial sinecures might be audacious enough to

interfere with his "sacred rights," he wrote them a very long letter commencing thus:—

"I apprehend it to have been established by Parliamentary precedents, too numerous, recent, and well known, to require any more distinct reference to them, that no advantages which the public could derive from the suppression of any particular office would compensate for the injury inseparable from any encroachment upon those principles on which all proprietary titles, and every reasonable expectation of the future enjoyment of property, must ultimately repose."

The letter continues in this strain, and professes to prove that, concerning sinecures "the obvious and the popular is not the sound conclusion;" and the writer concludes by hoping that, "if necessary, I may be allowed an opportunity of laying before the Committee such further statements as apply rather to the *justice and general expediency* than to the lawfulness of the title by which my office and the emoluments derived from it are at present holden." The shameless impudence of this defence is as revolting as the rapacious cupidity which it attempts to vindicate.

THE MINT.

Although disorder and extravagance seem to be the characteristics of all our Government establishments, in none are these faults more glaringly conspicuous than in the Mint. The chief officer of this establishment is called the "Master and Worker," and receives a salary of £2,000 a year. His title is derived, apparently, by the rule of opposites, for he neither governs nor works. He confessed to the Committee that "the Deputy-Master, in fact, discharges all the duties that belong to the Master of the Mint." The official staff of the Mint-office, amounting to seventy-two persons, and including a *minister* and a *sexton*, cost, in 1848, £13,393. In addition to which, there are incidental expenses amounting to £10,774; and coinage charges, £26,100. But even these large sums sink into insignificance compared with the enormous amounts annually appropriated without being accounted for.

It seems that neither the Master of the Mint, nor the Government of which he is a member, has sufficient power to compel all the public servants of this department to render an account of their emoluments. Speaking of certain officers of the Mint called "Moneyers," the Master informed the Committee that "They have refused to produce their cash-book; and they have refused to state their amount of *waste*, which I conceive to be an important ingredient for the consideration of the Master of the Mint in entering into an agreement as to the amount which he should pay them. I hold in my hand a return made by Sir Jasper Atkinson" (one of the gentlemen public servants who would not show the cash-book) "of the profits of the company from the year 1837 to the year 1847. The profits from 1837 to 1841 were £22,287 7s. 8d. The profits from 1842 to 1847 were £105,187 12s. 11d. There are but five moneyers at present, and those five gentlemen have, from 1842 to 1847, divided among themselves the sum of one hundred and five thousand one hundred and eighty-seven pounds twelve shillings and eleven pence."

This sum being spoken of as profits, the public might be misled to think the company a trading or manufacturing firm, working on their own capital, at their own risk. But it is not so. They are paid out of the taxes, and have profits from a mysterious source called *waste*. The Chairman of the Committee, Mr. Vernon Smith, asked the Master of the Mint, "By whom is this £105,187 12s. 11d. paid?" To which Mr. Sheil replied, "That is paid by the public." And then, to a question from Dr. Bowring, he proceeded to say, "The moneyers have an estate, and they have also, in what they call their Corporate capacity, property in the funds and other securities. They have refused to inform us of the amount of their landed estate, or to furnish us with the rental, or any account of any property which they hold in what they designate as their Corporate capacity. They say that we have no right to investigate that subject. They have stated to us their profits upon the coinage, without, at the same time, giving us any means of judging of the accuracy of their return, because they

have refused to produce their cash-books. They were asked what was the amount of the waste upon the coinage, and they refused to state it."

Sir George Clerk, a member of the Committee, endeavoured to elicit from the Master of the Mint, that in the event of there being no coinage for a lengthened period, the moneyers might become very poor, and that, therefore, to secure their respectability, it is to the interest of the public to pay them as they are paid. But as Sir George Clerk is himself a public pensioner to the amount of £1,200 per annum, after filling several well-paid offices, his suggestions do not appear to the Financial Reform Association particularly valuable on the subject of Government economy.

The master-melter stated that since the year 1837 his profits upon the melting alone have been £38,981 11s. 4d. But the much higher profits derived as a refiner he refused to disclose, though he promised to do so at a future time. Notwithstanding the large incomes of the master-melter, the moneyers, and the assayers, their various assistants, clerks, porters, and so forth, are paid out of the annual vote of £70,000 from the national revenue.

The company of moneyers, who receive the metal from the deputy of the Master of the Mint and from the melter, and render it into coin, has at times consisted of as many as fourteen persons, though commonly of a lesser number. A member enters as an apprentice, and rises by seniority. The fewer the members, the greater is the amount of waste to each when it is divided. The number of members being regulated by the supply of apprentices, the supply of these seem to be, in turn, regulated by the number of children born in certain happy families of Atkinsons and Franklins.

In the department of the Mint, as in most other departments of the public service, the duty performed is not proportioned in quality to the excess of payment. Mr. Sheil, on being required by Sir George Clerk to say, "if the cost of manufacturing coin in this country is higher than it is in France, is the work not of a superior quality?" replied—"I have heard various opinions about the work executed at the Mint. Mr. Hawkins, who is the head of the medals department in the British Museum, informed me that our coins are very imperfectly executed." To another question, Mr. Sheil replied—"I have heard that the coinage could be executed for much less than is now paid to the moneyers."

It appears, from evidence laid before the Parliamentary Committee, that the cost of coinage in America, in France, and in every country of Europe, is much less than in England. Sir Jaspar Atkinson, the provost of the company of moneyers, however, finds an excuse for this excess of expense in England, in the fact that, "in this country every public duty is more largely remunerated than in other countries." It is this fact, and the additional one—that many large payments are made for duties never performed, and, to privileged idlers, never expected to perform any duty, which has brought the Financial Reform Association into existence. It is this fact, that the taxes of Britain are wasted to an extent unparalleled in any other country, which has made the members of the Financial Reform Association pledge themselves never to rest satisfied until taxation is equalised, industry uplifted and relieved, and public services are recompensed according to their merits.

EDUCATION, SCIENCE, AND ART.

The excellent report of the Select Committee on Miscellaneous Expenditure (1848) contains nothing more worthy of attention than the following short but suggestive sentence:—

"They think that, however much the education of the poor ought to be a subject of national consideration, that votes of money for the public universities, where the wealthier classes are brought up, are of a very doubtful policy."

In the same report it is stated, with regard to the sums voted for professors at Oxford and Cambridge, that these payments originated in Royal gratuities, given annually or occasionally to certain professors for reading courses of lectures. Thus, like a great many other items, they have been transplanted by ministerial courtiers from the civil list into the estimates.

The total sum voted for education, science, and art, for 1848, was £397 520, of

which £245,000 was for the education of the poor in Great Britain and Ireland, from whom, it must be remembered, by far the largest portion of the public revenue is derived, and for whom, therefore, it may be argued, the largest portion of the expenditure ought in justice to be devoted. Yet so far is this from being the case, that more than double the sum which is devoted to education is annually paid to the holders of sinecures and unmerited pensions.

Whatever precise plan may be adopted, it is clear that the education of the lowest classes having been dangerously neglected, it ought now, for the security of the State, to be pressed forward with the utmost diligence.

The financial benefits derivable from the spread of education can scarcely be over-estimated. The increase of mental power in those engaged in industrial pursuits, would augment the products of labour; the increase of intelligence would produce foresight and frugality, and thus decrease pauperism; the increase of intellectual pleasures would decrease drunkenness and debauchery; the increase of morality would decrease crime. Not only, then, would the wealth of the nation be increased, and thus the load of taxation be rendered less burdensome, but the necessary expenses of government would be diminished, since "the necessity for external government to man is in an inverse ratio to the vigour of his self-government. Where the last is most complete, the first is least wanted."

THE LIVERPOOL FINANCIAL REFORM ASSOCIATION.

The *Objects* of this Association are to procure the most rigid economy in the Public Expenditure consistent with good and efficient government, and to change the present system of Taxation, by the substitution of *Direct* for *Indirect* Taxes. The reasons may be found in the Tracts.

Subscribers of 10s. or upwards per annum are entitled to all the Society's publications for the current year, postage free.

Post-office Orders to be made payable to Edward Brodribb, Esq., North John-street, Liverpool.

Subscriptions are also received at the Commercial Bank of London, Lothbury, and 6, Henrietta-street, Covent-garden; also by Mr. Effingham Wilson, Royal Exchange; and Mr. Cassell, 335, Strand, and 80, Fenchurch-street, London.

The Tracts may be had at the Office, 26, North John-street, Liverpool, and from SMITH, ROGERSON, and Co., Lord-street; and Sold by all the Booksellers. LONDON: The Trade Supplied at the Office of the *Standard of Freedom*, 335, Strand, and by SIMPKIN, MARSHALL, and Co., Stationers'-hall Court; GEORGE VICKERS, Holywell-street, Strand; EFFINGHAM WILSON, Royal Exchange; H. BINKS, 85, Aldersgate-street; CHARLES GILPIN, 5, Bishopsgate-street; JAMES GILBERT, Paternoster-row. Dublin, by GILPIN, Dame-street. MANCHESTER, ABEL HEYWOOD. Edinburgh, J. MENZIES, Prince's-street.

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FINANCIAL REFORM TRACTS.

No. 15.

DIRECT TAXATION.

INTRODUCTORY.

THE Financial Reform Association having awakened attention and directed public inquiry to the extravagance of national expenditure, and the inadequacy for good service of some of the most expensive departments of Government, proceed to another division of National Economy—one which more vitally affects the national well-being than expenditure, namely, the sources of taxation, and the manner of collecting the taxes.

They propose to substitute Direct for Indirect Taxation.

Indirect Taxation is the levy of revenue by taxes on the transit of merchandise; on articles of food; on the raw materials of manufactures other than food; and on the process of manufactures.

Direct Taxation is the levy of revenue by a tax on income.

The chief objections to indirect taxation rest on the obstruction which it opposes to industrial enterprise—to the free exercise of capital—on the covert which it affords to an unequal impost on different classes of people—and on the premium which it offers to the privileged classes to withdraw their capital and themselves from the offices of production to live partially or entirely in idleness. One man may have £52,000 a-year, being a thousand times more than him who has only £52 a-year, or £1 a-week; but the first does not eat a thousand times more food, drink a thousand times more tea, or coffee, or taxed liquor, pay a thousand times more for his window lights, &c., nor in any shape contribute a thousand times more to the revenue than the second.

The chief objection to direct taxation rests on its alleged impracticability. It has, however, been partially in operation at all times, and is so now. The impost called the income and property tax, the stamps, and the assessed taxes, the poor rates, the county rates, and almost all local rates, are direct taxes. But the true objection to a complete system of direct taxation is its simplicity, and the inconvenience of opening the inequality of the national burthens to every eye and understanding. Recent events in the military colony of Ceylon afford an apt illustration of this inconvenience.

Of several new taxes imposed on the inhabitants of Ceylon in 1848, one was called a "Labour-tax." Its amount was 3s. per head, or the personal labour of six days from each male adult. The wages of the common native labourer being at the rate of 3s. per week the tax was exactly the income of six days. The untutored peasant of Ceylon saw its inequality at once, just as the untutored peasant of the English hamlet, and all his countrymen, would see the inequality of their burthens, if levied in shape of the income of a certain number of days. The annual salary of the governor of Ceylon was £7,000, or £134 12s. 3½d. a-week. An equal impost of one week's income from each person would have required him to pay that sum, instead of 3s. There was the same disproportion in all the intermediate incomes of merchants, planters, military, clergy, and persons above the rank of labourers. Had the impost been levied on some necessary of life, like the 800 per cent. on salt, the Ceylonese would not have seen its inequality, and would have submitted to the unequal burthen, because they did not see it.

They saw it, and rebelled. And this is another argument urged against direct tax-

ation. But this objection is unfounded on fact; if there should be threats of rebellion in Britain because of taxation, direct and equitable, they will not proceed from the industrious multitude. The rebels, if any, will be heard of in higher quarters. But at most they will only be heard of—they will never be seen. Direct taxation is politically safe, because it must be equitable.

To the objectors of this principle the Association reply by inviting them to an analysis of the system now in practice. And for the present they prefer to go into that analysis, and so inform and prepare the public mind to understand the necessity, the economic value of direct taxation as compared with the indirect system which now weighs so unequally on productive industry, and eats the national vitality into the very core.

They will first draw attention to the smuggling, fraud, treachery, perjury, lost capital, and lost revenue in the tobacco trade.

THE TOBACCO TRADE.

On the 11th March, 1844, a committee was appointed by the House of Commons "to examine into the present state of the tobacco trade, and to inquire what effects have been produced by the changes in the law relating to it; and whether any and what legislative measures, compatible with the general interests of the country, may be advisable in order to promote the trade or to check smuggling in tobacco, and to report their observations thereon to the House."

The committee comprised—Mr. Hume, chairman, the Chancellor of the Exchequer, Mr. Parker, Mr. Villiers, Mr. Colquhoun, Mr. Beckett, Lord Sandon, Mr. Ewart, Mr. Young, Mr. Smythe, Dr. Bowring, Mr. Hodgson Hinde, Sir Charles Douglas, Mr. Alderman Humphrey, and Mr. Darby.

The report is imperfect, as the conflicting politics of the members prevented their agreement upon any distinct measure of revenue reform. At that period, such subjects were lost sight of by the public in the intensity of their fervour for a free trade in corn. Moreover, no member of the committee seems to have had direct taxation in view as a substitute for the tobacco duty. But though the report is of little importance, the evidence collected from the witnesses, fair traders, smugglers, merchants, manufacturers, magistrates, lawyers, custom-house officers, and excisemen, is overpowering; reason cannot withstand it.

Forty-four witnesses are mentioned by name, and eight by initial letters only, they having been engaged in the manufacture of smuggled tobacco, and the committee having resolved, on the motion of the Chancellor of the Exchequer—

"That the witness be informed that if he be examined as a witness before the committee, touching smuggling transactions in which he may have been engaged, if he shall upon such examination make a true and faithful discovery and disclosure, to the best of his knowledge, touching all matters and things to which he shall be examined before the committee, the committee will be prepared to prevent his name being made public; and measures will be taken to ensure him against prosecution to which he may have rendered himself liable by any criminal proceedings on his part, which he may have divulged to the committee."

In addition to that resolution, which elicited many curious mysteries of the smuggling trade, it was resolved, and acted upon—

"That experiments be made by chemists to be appointed with respect to the adulteration of tobacco, and that Sir Charles Douglas and Mr. Ewart be requested to be present at the mixing of the same, together with a chemist, to be selected by the chairman, to assist. Three parcels or more of each sample to be prepared; one to be given to the chairman of the Excise, to be examined under his direction; and the other to be given to a chemist, to be appointed by the chairman; and the third to be reserved in the custody of the committee; the adulteration to be from five to sixty per cent."

Also, the committee made use of the various reports and evidence of former committees and revenue commissioners. The latest of these reports to which they referred was that of "The Commissioners of Revenue Inquiry on Custom-house Frauds, 1843." It is stated that—

"Those commissioners were appointed to inquire into alleged frauds at the Custom-house on the revenue on silk goods, gloves, and other articles, and they

have reported the various devices by which the Revenue of Customs has been defrauded to a great amount. The temptations by the high duties was great, and many of the officers of Customs have been found guilty of collusion, in consequence of bribes. The observations of the commissioners as to the danger of corrupting the revenue officers employed in clearing silk and other high-duty articles, seem to apply particularly to the subject of tobacco."

And then the committee quoted the observations of the commissioners, thus:—

"Without entering into the discussion how far high duties are useful or necessary for the purposes of protection, we should not fairly place the subject before your Lordships unless we observed upon the extreme difficulty of preventing fraud in the cases in which the amount of duty is great. The precise character of the several goods is liable to be mistaken, and the rate of duty to be levied is likely to be matter of dispute. *No salary can be assigned to the officers which can be put in competition with the sums which they may realize by active co-operation with fraudulent importers, or by intentional negligence of the due performance of their duties.* The landing officers chiefly guilty of the fraud under consideration were in the receipt of salaries quite adequate to their respectable maintenance. Mr. Homersham himself had £400 per annum. *But a single fraudulent transaction may produce to the officer in one day as much as his salary amounts to in one year.*"

The quotation from the report of the commissioners is continued thus, by the Tobacco Committee:—

"The recent proceedings, too, in the Courts of Inquiry, as well as other evidence which we have had, go far to show *the almost unlimited amount of fraud which has prevailed in the article of gloves*; and, although we are not prepared to cite specially any other description of goods on which so large a proportion of the legal duty has been evaded, and although the opinion that the fraudulent proceedings relative to silks, gloves, and lace, should be taken as a criterion of the amount of fraud upon the revenue in regard to articles in general, would, undoubtedly, be erroneous—we, nevertheless, *entertain serious apprehensions that extensive fraud has not been confined to the goods above-named. We can only express our belief that frauds have been very extensively committed through the connivance of officers in whom trust was reposed, and to such a degree as to have had an important influence on the amount of the revenue.*"

The Tobacco Committee then remarked that—

"Thus far all the evidence from documents before the House is strongly in favour of reduction of the high duties on tobacco as the best means of putting down smuggling."

The evidence is still stronger as an argument for the abolition of all Customs' and Excise duties whatsoever. The committee, referring to another report of a revenue commission, say—

"The opinion of the Commissioners of Excise Inquiry, in 1833 and 4, on the tobacco trade, ought to have great weight with the House as to the proper remedy to be applied to put down smuggling. They entered fully into the working and result of every Excise operation ordered by the statute, and they ascertained the failure of the Customs and coasting force to prevent smuggling. The evidence of the most experienced officers of the Excise and Customs was taken, and the conclusions and recommendations of the commissioners are very decided respecting both. They had proofs of the continuance of extensive smuggling, notwithstanding the united efforts of the Customs and Excise. They considered that the Permit and Survey system had subjected, for a great number of years, large classes of industrious trades to a most inquisitorial, vexatious, and highly penal code of law, and the public to a vast expense, without any commensurate advantage.

"They state that the remedy for the evil ought to be in diminishing the temptation, which causes a successful resistance to all that the extraordinary coast-guard force can do.

"They add—'The nature of this temptation is at once apparent from the fact that £100 expended at Flushing in buying tobacco may be followed by the receipt of £1,000, if the tobacco can be landed safely in this country—at Hull or elsewhere.'

Mr. Ayre, clerk to the magistrates of Hull, was examined by the committee of 1848, and stated, "with confidence, from his own observation, that fifteen cases of

smuggling escape where one case is detected;" he supports his opinion by eight years' experience. He was asked—"In stating that in your opinion there is only one detection in fifteen cases, do you allude to last year, or two or three years ago?" And he said—"There were eighty-five detections in 1843, and, I believe, for every one of those eighty-five there were fifteen who escaped." He also stated that there are "a class of merchant smugglers who smuggle more than the seamen and officers of ships, although they all smuggle."

"What system do you allude to: describe what takes place?"

"I find that in all the ports opposite our coast—that is, from Flushing up to Ham-
burgh, and in the Baltic also, *they pack tobacco for the sole purpose of smuggling.* That is the case in every one of those ports; they are all alike. They are com-
pressed into small packages, whereby they can be most easily secreted. Tobacco is
also smuggled, packed in goods imported, to a considerable extent, and there are
vessels employed expressly to smuggle tobacco."

It seems that numerous Committees and Commissioners of Inquiry have, from time to time, over many years, recommended a reduction of duties to prevent smuggling, and no Chancellor of the Exchequer nor other statesman has controverted the committees and commissioners on principle; but all have demanded to know from whence they were to draw a sufficient revenue if such reductions as would destroy smuggling were effected. The Financial Reform Association have assumed the task of teaching Chancellors of the Exchequer the means by which to obtain a sufficient revenue—the abolition of all Customs and Excise, and the substitution of direct taxation.

SECTION II.

TOBACCO TRADE AND THE REVENUE CRUISERS.

The history and present circumstances of the tobacco trade, opening to our view the whole revenue question, will justify an account of its particular terms.

The *unmanufactured* or *leaf* tobacco is imported from various countries, but by far the greatest proportion of it comes from the United States of America. The kinds from thence are named from the States in which they are grown; Virginia, Maryland, Kentucky, Missouri, and Ohio.

The other principal sorts of unmanufactured leaf are Havannah and Cuba tobacco, both from the island of Cuba; St. Domingo tobacco, from the island of that name; Columbian, Cumana, and Varinas, from Columbia; Brazilian tobacco, from Brazil; Amersfoort, or Dutch tobacco, from Holland. There are also small imports occasionally made from Porto Rico, Turkey, East Indies, &c.

The leaf tobacco imported from the United States is chiefly employed here in the manufacture of the several kinds of cut and roll tobacco, and for snuff. The leaf tobacco from the other countries named is chiefly used in the manufacture of cigars and cheroots; but some is occasionally used for cut, roll, and snuff.

The forms in which *manufactured* tobacco is imported are now almost entirely confined to Negrohead and Cavendish, from the United States; cigars from Havannah, and cheroots from Manilla and the East Indies.

In the manufacture of tobacco and snuff in Britain, the raw, or leaf tobacco, is converted into various forms, having different denominations, which may be thus explained, namely:—

Tobacco Stalks.—The stalk, or mid rib, after the same has been separated from the leaf.

Tobacco Stalk Flour.—The stalk ground to a fine dry powder, without any preparation or addition.

Returns.—The small pieces of broken leaf, and the dust and siftings produced in the various processes of manufacture.

These three articles are, by subsequent processes, converted into snuff, though occasionally *returns* are used for smoking.

Cut and Shag.—These include all kinds which have been manufactured by the

process of cutting the leaf into small pieces or shreds, varying from sixteen to a hundred cuts in the inch.

Thumb Cut, Broad Cut, Grass Cut, and other names, are used for varieties of cut tobacco.

Roll, Twist, Pigtail, Negro-head, and Cavendish.—These are varieties manufactured by spinning or twisting the leaf, or by twisting and pressing into rolls, lumps, or sticks.

Carrot, Black Leaf, and Lug are other forms of compressed leaf tobacco, now little in use.

Cigars and Cheroots are the rolled leaves now so well known, differing only in shape.

Rappee Snuffs include all the varieties of snuff which have been prepared by grinding the tobacco together in a moist state.

Scotch, Welsh, and Irish Snuffs are prepared by drying the tobacco by heat previous to grinding it.

Brown Scotch Snuff is Scotch snuff moistened after being ground.

Besides these kinds of snuff and manufactured tobacco, there are several varieties made by variations in the materials and extent of adulteration.

The duty per lb. on tobacco, in the year 1795, was, in England and Scotland, 1s. 3d.; Ireland, 6d.

In 1796, in England and Scotland, 1s. 7d.; in Ireland, 6d.

In 1798, in England and Scotland, 1s. 7d. 12-20ths; in Ireland, 1s.

In 1802, in England and Scotland, 1s. 7d. 33-50ths; in Ireland, 1s. 1d.

In 1806, in England and Scotland 2s. 2d. 14-20ths; in Ireland, 1s. 5d.

In 1812, in England and Scotland, 2s. 4d. 12-20ths; in Ireland, 2s. 2d. 12-20ths.

1813, in England, Scotland, and Ireland, 2s. 8d. 3-18ths.

1815, in England, Scotland, and Ireland, 3s. 2d.

1819, in England, Scotland, and Ireland, 4s.

1825, in England, Scotland, and Ireland, 3s.

1840, in England, Scotland, and Ireland, 3s. 1d. 16-20ths.

The duty on manufactured tobacco, cigars, cheroots, &c., into the United Kingdom was,—

From October, 1823, to 5th July, 1825, 18s. per lb. weight.

From 5th July, 1825, to 5th July, 1826, 17s.

From 5th July, 1826, to the present time, 9s.

The following statement of prices of tobacco at the period of 1844, and a statement of the rates of duty charged, and the per centage of these duties to the prime cost of the article, sufficiently explain the temptations to smuggle:—

PRICES OF VIRGINIA AND KENTUCKY TOBACCO, 1ST JUNE, 1844, LONDON, THE
DUTY CHARGED, AND THE RATE PER CENT. ON PRIME COST.

Kinds of Tobacco.	Average Price in Bond.	Duty 3s. 1d. 16-20ths, equal to
Virginia leaf	3½d. per lb.	1,100 per cent.
Ditto strips	5½d. "	700 "
Kentucky leaf	3½d. "	1,200 "
Ditto strips	4½d. "	800 "

There is a variety of other tobaccos, varying in price from 1s. to 5s. per lb., in bond, which are principally used for cigar-making; therefore, taking the average price at 3s. per lb., the duty of 3s. 1d. 16-20ths on tobacco used for cigars is only equal to about 100 per cent. on the prime cost. The duty on all the foreign manufactured tobacco whether cigars or Negro-head, is 9s., and the addition of 5s. per lb.

Average Price, in Bond.	Duty 9s. and 5 per cent.
Havannah cigars, 8s. per lb.	equal to 112 per cent.
Manilla cheroots, 6s. per lb.	equal to 150 "
East India cheroots, 1s. per lb.	equal to 900 "
Negro-head and Cavendish, 6d. per lb.	equal to 1,800 "

Although there is an apparent protection of 1,800 per cent. against the importation of manufactured tobacco, yet, as it sells only at from 2s. to 3s. per pound, the actual temptation is only from 400 to 600 per cent. And as it is admitted that there are

large quantities of manufactured tobacco smuggled, the duty being from 400 to 600 per cent., we might fairly infer that a much larger quantity will be smuggled of unmanufactured Kentucky, at a temptation of 1,200 per cent. Tobacco stalks produced from duty-paid leaf are sold generally by the tobacco-cutters to the snuff-makers at 3s. to 3s. 2d. per pound. The importation of tobacco-stalks is prohibited; but as they can be purchased in Holland at 1d. per pound, the temptation, therefore, to smuggle them into the United Kingdom is equal to 3,800 per cent.

With these inducements to smuggling before us, we shall here quote some of the proofs of its existence. Mr. William Maury, who had been twenty years an importer of tobacco in Liverpool, was deputed by the American Chamber of Commerce in that town to give evidence before the committee of 1844, and there stated—

“The state of the trade is most ruinous to the manufacturers, from the efforts of the smugglers, as well as of the adulterators. The prices are reduced below what would remunerate them if they paid the duty regularly, and only used that description of tobacco. For example, it costs them to manufacture the tobacco, 3s. 4d. per lb. They cannot afford to sell it under 3s. 4d., and yet it is sold in many parts of England and Ireland at 3s. 1d. and 3s. 2d.—indeed, a sample was brought to me, the other day, purchased in a retail shop in Liverpool, at 3s.; of course the party selling it at 3s. must have adulterated or he must have smuggled it. Now, with regard to adulteration, I can mention the case of a manufacturer in a town near Liverpool, who was one of the few who dealt in unadulterated tobacco, and he was not a smuggler. He told me that the first year he commenced business he lost £700 merely by dealing honestly; but he says now that he pursues the same course, and that the people have become accustomed to his tobacco, he can sell any quantity he pleases at the rate of 3s. 6d. per lb. But I should state that it is in a particular district of England; and upon my observing to him, the other day, that I mentioned this instance of his to the Chancellor of the Exchequer, he said what was more remarkable was, that one of his largest customers, who gives him 3s. 6d. per lb., boasted to him *that he could afford to retail that tobacco at 3s.*”

Q. “Did he explain how that was?”

A. “No; there is but one inference, that the grocer, or person who sold the tobacco retail, must have adulterated it.”

At a subsequent period of the examination this witness gave an account of the expenses of smuggling, and introduced the subject of *decoys*. A *decoy* is a quantity of tobacco which is occasionally allowed to fall in the way of the coast guard officers for them to seize, and make a report upon, as a proof of their vigilance, they keeping out of the way of the smugglers at other times, on condition of a liberal bribe, and this occasional decoy of tobacco.

1680. “In the course of these smuggling operations they frequently leave a certain quantity of tobacco for the officers to seize, which they call a *decoy*; the calculation for that is 150 bales out of 1,000, which is a dead loss to them—that is £150. The proportion of the bribe to the officers £200.”

1681. “You are supposing, in this case, that the officer is to be bribed?”

“Generally, I am told.”

1682. “Do you mean that the bribe is paid to the custom-house officer, or to the excise officer?”

“To the custom-house officer.”

1683. “Do you mean the custom-house or the coast guard?”

“The coast guard.”

1684. “Do you mean that the 150 bales are allowed to be seized, in addition to the bribe?”

“Yes; in order to show the vigilance of the officer, the proportions of seizure is one in twenty-five—that is to say, the calculation is, that they will get in as many as twenty-five cargoes, and that one of them would be seized.”

Mr. Maury then proceeds to give instances of the commanders of the revenue cutters being thus dealt with, as communicated to him by retired smugglers and others. Also, instances of the guilty participators escaping, and the innocent suffering, through those decoy cargoes being found by the revenue officers on or near the premises of parties knowing nothing of them.

SECTION III.

THE NECESSITY OF DIRECT TAXATION FURTHER EXEMPLIFIED BY
THE SMUGGLING OF TOBACCO.

The evidence of Mr. Maury, of Liverpool, given before the Tobacco Committee of 1844, which the Association is again about to quote, need not be accompanied with a lengthened commentary; it is sufficiently explicit and suggestive. Legislation has been tried in all its devices, and it has failed. What remains now but to abolish the revenue cruisers and the pernicious Customs system altogether? Read the following questions and answers:—

Q. "Have you known persons who have made a trade of smuggling?"

A. "I have."

Q. "Will you state what class of persons those are?"

A. "With the permission of the committee I will read what I took down from one of those smugglers. The statement I am about to give refers to Ireland. I am informed that the smuggler now conducts his operations on rather cheaper terms than he did in 1830, or previously to 1830. I allude now to the wholesale dealer who brings his tobacco from Holland and Belgium. The American Chamber of Commerce state in their memorial that the expense of smuggling is 9½d. per pound. I have a paper containing a detail of the expenses. This is calculated upon a smuggling operation of 1,000 bales of tobacco, 60,000lbs. weight, the original cost of which, at 4d. the pound, is £1,000. The charges are—freight, 1½d., amounting to £375."

Q. "You give this as an actual operation which you understand from the parties to have taken place?"

A. "An actual operation which I understand from the parties to have taken place in this way, and that this is the usual way. Then wages for two months: captain, £25; mate, £10; crew, eight men, at £3, £24; in all £59. In case of success, the captain receives £75 in addition, as a douceur; the mate, £25; and the crew, £80."

Q. "What is meant by success?"

A. "If the adventure succeeds—if they land the goods, they get those large sums as well as their ordinary wages. If they do not land the goods, they only get the ship's wages. I have estimated that the cost of the vessel, fully equipped for the service, of 150 tons, which is the general tonnage of the vessels, at £8 a-ton, would be £1,200. The interest at five per cent. for two months is £10 on the vessel. The depreciation of the vessel, calculated to last five years, is at the rate of £250 a-year, or for sixty days £42. The reason I have named sixty days is that I imagine the operation to last sixty days. Rigging, painting, &c., and other expenses, by the voyage, £50. These come to £102. The tobacco is purchased at the rate of 60lbs. weight a bale, but is sold at the rate of 56lbs.; consequently, there is a loss of 4lbs. a bale to the smuggler, which, of course, enters into the calculation."

Q. "Is this a loss of weight?"

A. "No; it is a kind of tare or allowance which he gives; therefore, they lose by the sale 4lbs. a-bale. 4,000lbs., at 4d., is equal to £66. In the course of these smuggling operations they frequently leave a certain quantity of tobacco for the officers to seize, which they call a decoy. The calculation for that is 150 bales out of 1,000."

The witness then related the manner of bribing the officers, as quoted in the preceding section, and proceeded to state the remaining statistics of the case of smuggling:—

"These 150 bales are a dead loss to the smugglers of £150. The proportion of the bribe to the officers £200.

"Then there is the proportion of fine. Besides seizing the cargo, they would fine the owner. And there is the proportion of that and gratuities to the men, as ten have to be cleared if discovered. The conductor of the operation enters into an arrangement with the men, that in case they are detected he is to pay all fines, and release them, which he does; that I estimate at £25. Then there is the interest for six months on the cost and charges, £53. The operation, from the purchase of the tobacco to the sale of it is calculated to last six months. That will make the charges come to £1,250, which, added to the cost, £1,000, makes it £2,250, which is within a fraction equal to 8½d. per lb."

Q. "Are the committee to understand that the smuggler sells to his customer the smuggled tobacco at a credit of six months?"

A. "He does not sell at a credit of six months, but at a credit of four months; but the operation is calculated to last six months."

Q. "Is that statement given to you as a fair average of speculation, or as a particular speculation?"

A. "It is an average of that description of smuggling. The part which this person takes in the transaction generally terminates on the delivery of tobacco on shore, or to the small coasting craft which are always found hanging off and on the coast of Ireland in particular, and many of them on the coast of Scotland, and the east part of England. It is then conveyed to its various destinations—if on the land, by landmen; otherwise, by the coasters, who have a top lading of coal, lime, hoops, bark, salt, or such commodities."

The witness next introduced a letter from one of his informants, who had been expected to give evidence before the committee, but failed to appear. We quote a passage from the letter relating to the revenue cruisers, and the bribes paid by smugglers:—

"It is not to be supposed but that bribes will be accepted of in Ireland, as well as in London and other places; but there is no necessity to offer or give such large bribes as you suppose to accomplish objects in smuggling, and which it is quite useless to oppose. A good deal of the leaf tobacco, the cigars, and manufactured tobacco smuggled into Ireland, is first smuggled into England and Scotland."

The witness was subsequently questioned as to the revenue officers:—

Q. "How does the smuggling escape the Custom-house cutters on the coast?"

A. "*A party intending to land a cargo gives notice to the revenue cutter of his intention, and to some persons on board, sending a bribe, and requests them to keep off the coast for a few days and nights, after the weather sets in tempestuous.*"

Q. "Then must there be collusion between the captain of the cutter and the coast-guard?"

A. "Generally, in that case."

Q. "When the tobacco is landed, how is it conveyed from the coast up the country?"

A. "By men. It is in bales that they can carry. I am told that they bring down something like 400 to 500 men, or even as many as a thousand men, if it is wanted."

Q. "Are the committee to understand that the smugglers, when they land the tobacco, in consequence of collusion between the captain of the cutter and the coast guard, are able to get as many as 1,000 men to assist them in taking it up the country?"

A. "Yes; and such is the influence of the person who pursues it in that part of Ireland, that you cannot get one of those men to give any evidence to criminate him."

Smuggling has other results than the loss of revenue to Government: the gain of illicit profit to the smugglers, corruption to the servants of the State, and general demoralization to all engaged in it. There is sometimes a conflict, ending in a tragedy. Here is a suicide:—

Q. "Can you state how many people you conceive must be engaged in one of these transactions, taking the smugglers, the people belonging to the cutter, the coast guard, and the people who carry it up the country, to say nothing of dealers and manufacturers?"

A. "I would refer to a case in which there was a government prosecution against a Mr. Henderson Black, of Belfast. This Mr. Black was a gentleman that had carried on very large transactions. I never suspected him to have been concerned in that trade, but it appears that for several years he had been in it. He had gone to very great expense in excavating caves on the Antrim coast, in order to conceal the tobacco in; but he was found out the other day, being concerned in a cargo that was landed off Torhead. The tobacco was seized; and the penalties sought by the Crown were £4,000. This preyed so much on his mind, that, the day before the action was to come on in Dublin, he shot himself."

But not only does the law sometimes overtake the guilty with overwhelming force, when bribes have been inefficient, the innocent are often visited by penalties which they cannot ward off, if smuggled goods are found on their property. Had Mr.

Black lived, he would have had the option of escaping at the cost of two innocent men, or of confessing himself guilty. The case is thus related in the evidence :—

Q. "Can you state what was the extent of the cargo which was seized?"

A. "I cannot state; but the Crown failed in their evidence. The penalty was mitigated to £200, and instead of being levied upon the property of Mr. Black, it was laid upon two parties of the name of Thompson, upon whose premises the tobacco was found. The date of this was about three or four months ago."

Q. "Do you state this from any personal knowledge, or from any communication with the parties?"

A. "I take it from a letter I had from Ireland, in the first place, and from information I received from the department connected with it. I wrote the particulars. There were three parties concerned in the transaction—Mr. Black and these two men. Now I inquired from a person from Belfast, last week, who is not engaged in this traffic, if he knew anything of these Thompsons, the farmers. He said, they are perfectly innocent men; they have no more to do with the transaction than you have, but the tobacco was found there. But here we can only trace three men engaged in it. The presumption is, that the vessel got off. The inference is, that they had not sufficient force, or else it would not have been found out."

Q. "Is it your belief that individuals who carry on smuggling on the coast (of Ireland) are able, from their influence, to collect, whenever they require, any number of men they want to carry on their business?"

A. "Certainly."

Q. "Can you state what characters such persons bear in society?"

A. "They are of very good standing, I am told."

Q. "Is it difficult to get evidence brought forward in those smuggling cases?"

A. "Very difficult."

Q. "What does that difficulty arise from?"

A. "The unwillingness of parties to come forward, and the popularity of the person who conducts the enterprise. To give an idea of the respect in which the man is held, I was asking a person the other day if it was possible to get any one to come up to give evidence. He said, 'I do not think so;' and added, 'Such is their information of him (alluding to a particular master smuggler) in private life, that if there is any dispute in the part of Ireland where he lives, it is submitted fearlessly to his arbitration.'"

Q. "Then are the committee to understand that he holds those employed by him, if they should be found out in the act of smuggling, free of consequences, by paying the penalties?"

A. "Certainly."

Q. "When they leave a *decoy* of 150lbs. out of 1,000lbs., is it necessary that there should be a collusion between the officers of the cutter and the smugglers?"

A. "Yes."

Q. "And that there comes to the officer also a bribe of £200?"

A. "Yes."

Q. "Do you know in what way information is given of the 150 bales, or any quantity that is reserved as a *decoy* by the smugglers; and do you know what the individual who gives the information gets for it?"

A. "He gets one-half of the duty, I believe. There are a number of gradations of penalties, but I have assumed one-half as being about the average."

Q. "Are the committee to understand that, supposing the smuggler himself gives information of tobacco which he had bought at 4d. per lb., and landed at 8½d. per lb., he would be paid by the Government 1s. 6d. per lb. for that tobacco?"

A. "He does not receive the penalty. The officer who seizes it receives it."

Q. "Are the committee to understand that the officer gives the information himself to the department and seizes it?"

A. "On the return of the vessel, after three or four cargoes have been landed, the officer, perhaps, finds 400 bales, or 500 bales, left for him to seize. He then writes his despatch to the Government, expressing his regret at being absent when he understands such and such parcels of tobacco were landed; and he then says that he has arrived in time to arrest those 400 or 500 bales."

Q. "From what information do you state that fact?"

A. "From the smugglers, who have given it me."

Q. "Are the committee to understand you to say that the public feeling is entirely in favour of the smugglers in the particular parts where the smuggling is conducted?"

A. "In Ireland, certainly. The truth is, that the public feeling is in favour of cheap tobacco, and against high taxes; hence it sympathizes with the smuggler."

With these facts before us, of collusion between the Government officers and the defrauders of the revenue, it need not surprise any one to hear that one-third only of all the tobacco consumed, or the adulterations infused with tobacco, pays duty.

Of the consumption and adulteration we shall next give some particulars. They will be found instructive.

SECTION IV.

CUSTOM-HOUSE FRAUDS.

On the 18th of November, 1842, a letter of instruction was issued by the Lords of the Treasury to a commission appointed by the Crown, to inquire into certain fraudulent transactions which were said to have occurred in the port of London. From that date to the 22nd of May, 1843, the commission was engaged in collecting evidence of the misconduct of the Customs' officers; but, owing to criminal prosecutions having been instituted against some of them before that period, and being still in progress, while some of the officers had taken legal proceedings against others for defamation of character, the commission was less successful in obtaining evidence than if the officers had been encouraged to make full disclosures without fear of the consequences; yet they, losing confidence in each other's secrecy, made startling disclosures. Their evidence of accusation and confession led to conviction and punishment—to shame, remorse, and death itself, and, probably, to a partial improvement in the performance of certain duties: but the clearest and gravest result of the investigation was the proved fact—a fact obvious to any reflective mind, and to every financier not interested in the present system, that bribery, perjury, fraud upon the revenue, and fraud upon the honest merchant, had probably always existed, and *may* at any time be practised, so long as the Custom-house establishment exists in any form.

We obtained a glimpse, in the preceding sections on tobacco smuggling, of the means by which the smugglers in that article overcome the gigantic establishment of revenue forces which blockade the coasts on sea and shore. We shall here enlarge the view. The Commissioners say:—

"We expected, and that expectation has been fully realized, to hear statements totally irreconcilable with each other, and to have to estimate the value of vague assertions and of *bold denials*."

An officer of considerable rank, named Burnby, was the foremost, if not the first, to accuse his fellow-officers. Of his motives the Commissioners remark:—

"It is not easy to state with confidence the time at which Mr. Burnby first resolved on making his subsequent disclosures of the frauds supposed to have been perpetrated, or connived at, by certain revenue officers in the port of London; but this intention would seem to have been first conceived in the latter part of the summer of 1841. Remorse for his criminal proceedings is the cause which he himself assigns. *Apprehension of detection, with the expectation of personal indemnity for the past, and individual benefit for the future*, may not unnaturally be the reasons attributed to him by those who look impartially at his conduct throughout those transactions. Those who consider it most unfavourably, will probably allege that feelings of personal jealousy, and of individual hatred, were additional motives for preferring serious charges against many of his brother officers, and for bringing forward vague rumours, implicating many more in the participation of extensive frauds."

There seems something like a tone of regret that Burnby had not been true—not to his country, which had paid him handsomely to be honest—but to his companions, who connived with him to defraud his country. Had Burnby been true, that mighty armament of the Customs, the recruiting of which is made a means of political corruption, and which, at a cost of several millions sterling per annum, blockades the coast of the British islands, holding warfare with industry on its own soil,

loing battle with commerce on its own seas—had Burnby been true, that mighty armament, which cost more than the whole *effective* British army, might have continued its private pillage undisturbed, as it had probably done for a century—and as it may do to this day. But Burnby either had a conscience which could not bear all that weighed upon it, or which was not satisfied with his share of the spoil, and so the public obtained a knowledge of misdeeds which the system of indirect taxation provided no means to discover, but which, on the contrary, that system hides from discovery.

Sir George Cockburn, First Lord of the Admiralty, heard from Captain Morgan, of the coast-guard service (brother-in-law of Burnby), that Burnby had something to disclose. Sir George Cockburn communicated with the Chancellor of the Exchequer on the subject, and he with Mr. Dean, chairman of the Board of Customs. They assembled at the Admiralty on the 9th of November, 1841, and either there or at a meeting held shortly after, Mr. Burnby made a statement which inculcated twenty-one of the landing waiters, who, for the most part, on account of their ability and presumed integrity, had been selected for employment on the silk and baggage import duty.

“The necessity for a corroboration of Mr. Burnby’s statement,” say the Commissioners, “before credit should be given to them, was naturally felt by those present at that interview; nor was it deemed advisable to have recourse to the experiment which was proposed with great eagerness by Mr. Burnby, namely, to lay a trap by preparing packages in such a manner for the officers alleged to be ready to connive at irregular entries of goods, that their guilty intentions might be ascertained, and their criminality proved beyond doubt. Frequent communications were made from that time throughout the winter by Mr. Burnby to Mr. Dean.”

The instructions issued by the Board of Customs for their officers were in several cases inoperative, because impracticable.

“We cannot disguise our opinion (Commissioners, page 8) that serious detriment to the efficiency of the department, and great encouragement to negligent, if not dishonest conduct, are occasioned by the issue of instructions which cannot be executed, and the neglect of which is, therefore, necessarily permitted without reprehension.”

Yet those instructions could not be amended; the Commissioners found that to compel a strict adherence to them would be to put a farther clog upon the importation of goods, or to suggest others more definite, which should be literally adhered to, would be to suggest a system of supervision which would strangle commerce, in binding it to be security for the honesty of the revenue department. The Commissioners were not financiers likely to suggest that efficient substitute, the only one which can eradicate those incurable evils, namely, the abolition of all customs, and the direct levy of the revenue from income. Yet, if their report has any practical tendency, it tends to prove the necessity, immediate and absolute, for a system of direct taxation. They conducted their inquiry as if they had only to deal with the guilt of Burnby and his associates; as if exposing them to odium and punishment was a sufficient atonement to public justice, while, in fact, though not designedly, they elicited proofs that the whole revenue system is a hot-bed of corruption, in which Burnby’s exposures are merely mushrooms.

From November, 1841, to July, 1842, this person continued in confidential intercourse with the heads of the department; and he reiterated his charges against various officers, and urged that traps should be laid to detect them. The heads of the department declined to be parties to the entrapment, probably from honourable motives, yet possibly from other causes. Their own relatives and protégés were implicated, nor were they free of blame themselves, so far as neglect of duty was likely to be blamed. Of seven superior surveyors, whose business it was to be watchful of the landing-waiters, accused by Burnby, no more than one attended duty at a time, and even that one was not always at his post. The higher the rank the higher the salary, and the more grave the responsibility of those public servants the more frequent and the longer-continued were their leaves of absence, or it may be said they were absent without leave and without restriction. Of seven on the highest salaries, with the gravest responsibilities, six were always on holiday, and the seventh did not make his appearance at the docks until the day was far advanced. This the Commissioners of Inquiry discovered and censured. Even the chairman of the Board of Customs absented himself (ill health the cause) during the winter

and spring of 1841 and 1842, while Burnby urged, and urged in vain, his plans for discovering the frauds in daily practice. Another chairman was not appointed in his absence. Even the Surveyor-General left London on his provincial tour, while Burnby's charges and confessions were still uninvestigated. If his tongue or conscience could have been quiet, inquiry would have been smothered, and plunder would have gone on unmolested. At last, in April, 1842, "Burnby was put on duty," say the Commissioners, "where several of the officers against whom he had preferred accusations were placed, and where he would have the means of watching their conduct, and where the most favourable opportunities for detecting their practices, if they were fraudulent, would present themselves." But they continue,—“No new circumstances corroborative of his assertions occurred, nor did he furnish other proofs than those adduced in the first instance, until after the disclosures made by Mr. Homersham, another landing-waiter, when he produced certain letters from a person of the name of Quadling, deeply implicating the character of Mr. Hastings. From the first disclosure, therefore, made by Mr. Burnby, in November, 1841, to July, 1842, the chairman was unable to prosecute the investigation into these alleged frauds,” (the chairman was absent from duty, as it elsewhere appears, during the whole or greater part of that time), “or to obtain either confirmation or refutation of Mr. Burnby's statements.”

But in the latter end of July, the chairman having received some private information, from whom is not stated, sent for Mr. Robert Homersham, a landing-waiter of the first class, at a salary of £400, and intimated to him that his name had been mentioned in such a way in connexion with supposed frauds, as to cause a very unfavourable impression of his conduct, and that he believed that he, Mr. Homersham, was in possession of a greater number of facts of which he could give information, and that he had better give it. After various remarks the Commissioners say,—“We have made these observations preparatory to declaring our several reliance on the correctness of the statements made by Mr. Homersham in which he describes a series of fraudulent proceedings, and implicates several officers and other parties in successful attempts to defraud the revenue.”

Those frauds were found to have been effected in the following way:—

“First. By the granting of false certificates by the export officers, whose duty it is to ascertain what goods are shipped, enabling an article, which by law is prohibited to be exported to foreign countries, to be shipped as some other article, the exportation of which is permitted.

“Second. In a similar manner by a false certificate of the quality or of the existence of goods for exportation to obtain an amount of drawback of duty far exceeding what is legally due, or a drawback for an imaginary exportation of articles which, in fact, are never exported.

“Third. By the *dummy* system, or the substitution of low duty goods for a package of high duty goods. (This fraud is stated to be prevalent beyond most other practices.)

“Fourth. By the negligent or wilful under-valuation of goods where they are subjected to *ad valorem* duties, by the officers, and the dishonest or careless and faulty enumeration of the goods when their amount is to be stated.

“Fifth. By improperly computing the tares of packages. A special package is so prepared as to produce an amount of tares much greater than the other packages; it is submitted to the landing surveyor for him to ascertain the tares to be allowed; and as it is assumed to be a fair criterion of the average tares of the packages in general, the revenue is largely defrauded.

“Sixth. By a process similar to the fourth, but in a most complicated and artificial manner. (Of which more hereafter.)

“Seventh. By the substitution of fresh leaves for the original leaves in the landing-waiters' blue books, with imitations of the handwriting of the registrar's clerks, with false entries, and with false seals.

“Eighth. By the obliteration of the original entries, through a chemical process applied to the ink, and the substitution of other entries, a peculiar ink easily obliterated being used for the purpose.” (This stated by Burnby.)

The proofs of those frauds being practised are too long for present citation. That they were perpetrated extensively without discovery until the conscience-stricken penitent or the spiteful knave compelled the unwilling attention of the superior authorities to them, while no sufficient checks are or can be opposed, is in itself an

irresistible argument for abolishing the entire system of indirect taxation. But there are other arguments alike founded on the simplicity of direct taxation, and in the complex immorality, injustice, and commercial poison of the present system, to which the Association will return on a future occasion.

SECTION V.

INDIRECT TAXATION LEADS TO CRIME, AND THE LOSS OF FIFTY PER CENT. OF REVENUE ON MANUFACTURED SILKS.—CASES IN PROOF OF THAT FACT.

It would be a valuable service of diplomacy to the country if it procured annually from all other countries a return of the goods shipped to Britain from their ports respectively. A comparison of those goods on which an import duty is levied with the returns of the British custom-houses would be instructive; but it would tell more against INDIRECT TAXATION than the governing authorities are yet prepared to afford. Occasionally some such returns have been had. Here is one:—

Statement showing the number of pounds weight of SILK MANUFACTURED GOODS which, according to the French official accounts, were exported from France to England, and which, according to the English Custom-house accounts, were imported into the United Kingdom from France, in each year, from 1827 to 1841 inclusive:—

Years.	Exported from France to the United Kingdom.	Entered at Custom-houses in the United Kingdom.	Quantity shipped more than Entered.	Centesimal proportion smuggled, or introduced by the fraudulent connivance of Custom-house officers.
	lbs.	lbs.	lbs.	
1827	224,880	104,040	120,840	53·74
1828	235,051	156,216	178,835	53·38
1829	211,842	115,918	95,924	45·28
1830	289,034	119,826	169,208	58·55
1831	303,642	149,187	154,455	50·87
1832	312,877	246,665	166,212	53·13
1833	351,085	148,196	202,889	57·79
1834	317,508	175,562	141,946	44·71
1835	298,780	168,772	130,008	43·55
1836	283,646	179,977	103,669	36·55
1837	268,164	166,723	101,441	37·83
1838	393,085	244,626	148,459	37·77
1839	505,236	255,245	249,991	49·48
1840	625,317	267,477	358,840	57·23
1841	624,269	254,120	370,149	59·30
Total..	5,344,416	2,652,550	2,691,886	50·37 average.

It thus appears that on the average of the fifteen years specified, fully one-half of all the silk manufactured goods shipped from France to the United Kingdom was smuggled; while in eight of those fifteen years considerably more than one-half was smuggled. Either those goods came fraudulently through the Custom-houses, or were landed in defiance of the revenue cruizers and the coast-guard. The official accounts from France are believed to be nearly correct; but if not entirely so, the presumption is that more silk goods were exported from France than the quantity recorded.

The Commissioners of Revenue Inquiry dilate upon the delinquency of Burnby, the man who filled the Custom-house with confusion, and all official places with wonder, by "splitting." They search back as far as 1837, when Homersham, another officer, was corrupted by Burnby. But ten years before that period silks seem to have been smuggled as largely as in any year subsequently, except 1833, 1840, and 1841. It was the system which corrupted the officers, and not one officer that disgraced the system, beginning for the first time in 1837, as the inquiry would leave us to infer. "He" (Homersham) "commences by giving an account of his

having been induced," say the Commissioners, "when he was acting as a searcher, by Mr. Burnby's persuasions and loans of money, to facilitate, by false certificates, the exportation of machinery, in 1837 and 1838." And again, referring to Homersham, in 1840, who had been giving false certificates to export bad wine for good, and so get the drawback; who had been admitting *tobacco* at the Custom-house, and calling it *marble*, they say:—"In 1840 he was removed to the legal quays, and there continued his fraudulent proceedings, apparently in a more systematic manner; up to this period he would seem to have acted under the baneful and overpowering influence of Mr. Burnby, who had got him, in the first instance, completely in his power, by small loans of money, and afterwards retained his hold upon him by pressing him to enter on the disgraceful and dishonest course which we have been describing. But Mr. Homersham acknowledges that in 1840 he was extensively and habitually engaged in the arrangement and execution of projects to defraud the revenue, in importations of French gloves and other French goods." The whole burthen of the inquiry and report of the Commissioners continues, at this point, to press on Homersham and Burnby; on Homersham least heavily, because he was drawn into confession by the information of Burnby; on the latter most heavily, because he seems to have been the most singular of the two, the most unaccountable of Custom-house officers, *a man who accused himself* and his fellow-servants. Of the accused fellow-servants mention is made in the report only with respect; because, apparently, they were not tell-tales nor conscience-stricken, or some other circumstance or sentiment guided the inquirers to report as they did. Yet can it be for a moment admitted possible, that Burnby and Homersham alone, amid hundreds of other officers in the London Custom-house, smuggled silk goods to the amount of *fifty-seven per cent.* in 1840, and *fifty-nine per cent.* in 1841, *of all the manufactured silks exported from France to the United Kingdom?* The tone of the report indicates a desire, on the part of the inquirers, to have it believed that these two corrupt officers, or a fractional number of their fellow-servants, in concert with them, did all the smuggling of those years; the smuggling, in 1840, being about *thirty per cent.* of all the brandy exported from France to Britain, above *sixty per cent.* of all the tobacco shipped from any country, besides the silk and other common frauds. How could two subordinate officers of the London Custom-house, aided by some fractional number of their associates, accomplish such frauds? It was impossible. Had the report spoken candidly of the discoveries made by the inquirers, or had they inquired without fear of raising a national opinion against the Custom-house system, they would have produced a body of evidence bearing irresistibly against the whole fabric of indirect taxation.

Homersham's account of his connexion with the glove and silk trade, and his manner of effecting the fraud, indicates that persons engaged in those trades knew the Custom-house officers from experience. Mr. Wilson, a clerk in the house of Cordingly and Co., asked him in February 1840, "If he would do any business." He inquired what did Wilson allude to, and was answered,—"*What is customary.* I will bring you some gloves; and all you have got to do is to take a right account in your rough books, and give me credit for the goods; let me get them home and I will tell you what to put in." Then the business was done, by taking a case of gloves, containing, perhaps, 400 dozen, in cartons; putting the right amount at the time of their being examined in the landing waiter's rough books, and immediately sending off the cases to the importers. If they were stopped *in transitu* they tallied with the account in the rough book; but as soon as their safe arrival at the importer's warehouse without interruption was ascertained, the account was entered in the regularly official blue book of the dishonest landing waiter, 100 or 200 dozen short, according to previous arrangement with the parties, and the duty was paid on the smaller and not on the real quantity, the revenue losing the difference between the two. The entry in the rough book was usually made in pencil, and the entries when their object was accomplished, were in consequence easily obliterated.

These transactions in gloves with Wilson continued about two years, the officer received £10, £15, or £20, at a time, according to the size of the cases; the allegation for his not receiving more being that the other persons concerned had to be paid. During the same period he was concerned, at the instigation of Burnby, in facilitating the importation of silk goods through the medium of Mr. Hunt, the agent of Candy and Co.

To effect this, wrong weights were put down in the blue books, but the same precaution of putting down the correct weight in the rough books was taken, and he was paid by Hunt different sums, sometimes £30 or £40 at a time.

He was concerned in another mode of fraud suggested, so he alleged, by Burnby, and effected thus:—The landing waiters' books are delivered to them at the Registrar's-office, and are returned there. There are certain formal but special entries made in them, such as the name of the ship, &c., by the registrar's clerks; when done with they are tightly bound round with a string, which is sealed. Mr. Burnby and Mr. Homersham proceeded together, at the invitation of the former, to Messrs. Candy's house. There the official seal was broken, the book was untied, the leaves containing the correct statement of the silk goods were taken out, the writing of the registrar's clerk was imitated on other leaves abstracted from some blue book improperly obtained, such an entry was made as to render the gross weight "appear a little feasible" with the tares that had been written on the cover by the landing surveyor; these leaves so prepared were placed in the cover of the blue book, which was again tied up and the pack-thread sealed with a seal obtained for this purpose by Mr. Burnby. In this way two or three cwt. of silk varying in value from 2s. to 35s. a pound were struck out and the consequent loss to the revenue of the *ad valorem* duties was the result.

It is stated in the report that "Mr. Burnby exhibits still more extensively than Mr. Homersham fraudulent transactions, *perpetrated in such a way, as, if represented correctly, would go far to destroy all confidence in the officers, all credit in the traders, or any reliance upon the system pursued at the Custom-house.*" The Commissioners of Inquiry threw as much discredit on Burnby as relieved the general body of officers from reproach, or softened the imputations against them. But it is admitted, that from highest to lowest they or their wives procure silk dresses from wholesale houses, where no other goods are sold by retail. The inquirers say "this point is not of much moment," yet why should dresses be sold (or given) to them, *of all ranks*, by wholesale houses, unless those houses received favours or expected them *from all the officers?*

"From what has transpired before us," say the Commissioners, "*such a practice would seem not to be considered objectionable, unless bad motives can be proved in connexion with it; but many instances have been stated to us of the officers obtaining silk dresses and other goods for their wives from houses not accustomed to retail transactions, but large wholesale importers of such goods.*" Subsequently they say:—"But supposing the transactions are without improper motives on the part of the officer, a large bill is by degrees run up against him, and the trader presses for its payment. An importation of goods is just at that time submitted to the inspection and the valuation of the same officer; a small variation in the stated value makes an enormous difference in duty to the trader, and the officer may be freed from the importunities of his creditor if he only consents to listen to his assertions, that the real value of the goods is such as he states it to be. The temptation is great, the facility is apparent, and the probability of escape from detection of the error, and *the almost certainty that no proof of the error being intentional can be adduced*, offer temptations to deviation from the strict performance of his duty, to which the integrity of no officer ought to be subjected. If the officer yields once, he is ever after the slave of the party who has thus vanquished his integrity, and the frauds on the revenue are thenceforward habitual and unrestrained."

Whatever force these objections possess, and they must be admitted to be formidable, it goes directly against the levy of all taxes, indirectly, by means of the Custom-house. It is not within the range of device or invention to prevent collusion between the officers who value goods, the importer who is not scrupulously conscientious, the clever clerks of such importers, and the wives or other female relatives of the officers who accept silks for themselves *and their friends*, and supply the friends of their friends at a price.

It is true that greater vigilance has been suggested, and to some extent enforced; the nine commissioners have been recommended to do something more for their salaries of £1,200 and £2,000 a-year, than to meet in a room, only five days a-week for only two-thirds of the year, their day's work being only from eleven or twelve to three or four o'clock in the day; their work being such as never to make them acquainted with the practice of the import and export trade. They became sensible, so long ago as 1840, that they were not competent to the performance of the duty of

practical superintendence, and obtained the creation of a new officer—an inspector-general, and, subsequently, of assistant inspectors-general. There were thus more patronage and more public salaries added to the department; but it did not occur to them that they should themselves do more work until the inquiry of 1842 recommended it. The surveyors have also been admonished to be at their duty more regularly than they were previously to that period, and all of them are recommended not to purchase, nor to accept without purchase, silks for their wives and lady friends (including, of course, friends' friends); *but it is officially acknowledged that no positive order can be issued to prohibit them from doing so.*

It might be supposed that those importers of silks, gloves, tobacco, spirits, wine, &c., who are not so exact in their conscientiousness as to avoid the temptation which our pernicious revenue system places in their way, become wealthy by large profits; or that, by selling at lower prices than others, they diffuse a share of their profits among the public. The converse of this is the fact. Fifty per cent. of goods smuggled, and paying no duty, is not the same as fifty per cent. of goods admitted free of duty. The honest merchant who pays duty is exposed to a ruinous competition; his capital is sacrificed; industry and wages sink with capital; integrity is overthrown by force, or sapped at the foundations; deception becomes a study, fraud a science. Success is talent. To obtain a place in the Customs is the ambition of many young men of education. To be intimate with officers of the Customs is to have godfathers for all your children,—friends entitled to sit higher at table than blood relations. Through the whole servants of the mercantile establishments, which participate in those frauds, the *virus* is diffused, and through them, in turn, the innocent are inoculated; clerks, shopmen, messengers, porters, carters, errand boys, all must be bribed; the tobacco factories especially are colleges where servants are trained to defraud the State; the conscience, so formed, does not discriminate nicely between the public and the private master.

THE LIVERPOOL FINANCIAL REFORM ASSOCIATION.

The *Objects* of this Association are to procure the most rigid economy in the Public Expenditure consistent with good and efficient government, and to change the present system of Taxation, by the substitution of *Direct* for *Indirect* Taxes. The reasons may be found in the Tracts.

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FINANCIAL REFORM TRACTS.

No. 16.

EXPENDITURE OF THE STATE, AND TAXATION OF THE PEOPLE.

SPEECH OF MR. JOHN SMITH, ONE OF THE PROPRIETORS AND EDITORS OF THE *LIVERPOOL MERCURY*, AT A PUBLIC MEETING OF THE LIVERPOOL FINANCIAL REFORM ASSOCIATION, MARCH 21, 1849. EDWARD BRODRIBB, ESQ., IN THE CHAIR.

MR. SMITH, being called upon to second the petition proposed by Mr. Francis Boulton, in favour of Public Economy and an Equitable System of Taxation, said:—Mr. Chairman, ladies, and gentlemen, it is evident, from what has already been so ably said, and is, indeed, so well expressed in the petition, that the Association has undertaken a gigantic task, in which task two great objects have to be attained: first, the propounding of such a financial scheme as shall combine economy with a just distribution of the public burdens; and, secondly, to promulgate such a plan of direct taxation, in lieu of duties on commodities daily consumed by the masses of the people, duties which seriously lessen the trade of the country, as shall win the approval of the great body of the middle and humbler classes of society so entirely, as to induce them, while saving the vast difference in the cost of the articles they consume, to reserve daily, and weekly, and constantly, money sufficient to pay to the tax-gatherer their just share of tribute to the State (hear, and applause). Ever since I have been capable of thinking upon financial subjects at all, I have considered that equity and common sense can only justify one species of taxation—a recourse to only one source of revenue—namely, a tax upon all the subjects of the realm, without exception, but laid upon each in proportion to his actual means (loud applause). The advantages of a far cheaper collection of such a tax, and of the liberation of trade and commerce from a thousand hurtful trammels, are so obvious, that those who are already informed on the subject, and who, at the same time, have no direct interest in the present cumbrous and costly system, are convinced of the desirableness of the proposed change; but the great masses of the people are so absorbed in the difficulty of obtaining a livelihood, and so accustomed to expend all their scanty earnings as they receive them, that at present such a change would not appear welcome to thousands, and would be strenuously resisted by many. This is the great present difficulty; and a large amount of education, so to speak, of the popular mind, must be effected before the grand object can be accomplished (applause). But greater difficulties even than this have been overcome by perseverance and the force of truth (hear, hear); and I doubt not that, by the efforts of the Association, and of such meetings as I have now the pleasure of addressing, this will be overcome too, and then the cause of economy and justice will triumph (cheers).

With respect to the question in the abstract, it is evident that if direct and equitable taxation only had been resorted to, from the year 1792, onwards, the Exchequer barometer standing, as it were, on the table of the House of Commons, a very different result would have been witnessed, instead of the present enormous weight of the public burdens (hear, hear). As the indicator was rising from sixteen millions to seventeen, to eighteen, and even twenty, each member's own pocket being sensitively affected by the difference, would there not have been ready and anxious inquiries from Mr. Chancellor of the Exchequer—"What is the meaning of this? Why are we thus to keep paying more and

more? What is it all about? We must look after the expenditure, Sir" (laughter and cheers). And they *would* have looked after it pretty diligently. An increase of four millions upon sixteen is no less than twenty-five per cent., and that is important; but what would have been the effect upon our guardians of the public purse, had their own purses been equally in danger, when the barometer rose to thirty, forty, and fifty millions—augmenting the taxes to more than three times the former amount? Would there not have been a still sharper looking after the Chancellor? No, truly; for with such a barometer, affecting all alike, the taxation would never have been allowed to rise to half that height; economy, and peace, and commerce, would have been zealously attended to, and we should have enjoyed the advantages of cheap and good government (hear, hear, and loud applause).

Unfortunately, however, then, as now, the privileged classes, including those who make the laws and decide on the taxes, have all along deemed it to be to their advantage that the great bulk of those taxes should be laid upon commodities consumed by the great body of the people, and used in the transactions of industry. Hence it is, that heavy duties have been laid on tea, sugar, coffee, soap, malt, tobacco, and other articles, of which, taking the most productive of them, the working classes are the greatest consumers (hear, hear). They might have taken a better view of this subject and of their own position; they might have undertaken a fair share of the taxes, in proportion to their means, and though thus paying more to the State, they would have been rewarded by a sense of justice, and by seeing a flourishing people around them, enjoying trade and producing national wealth, untrammelled by taxes on commodities, and calling for fewer charitable aids, fewer poor rates, and fewer expenses in preserving the public peace against the struggles of discontent (hear, hear, and cheers). Under wise government there would be few causes of discontent in this country; and it is lamentable that poverty and hunger should ever be suffered by such a noble, enterprising, and scientific people as the English. They can measure the distances of the planets; they can traverse the ocean and the desert by astronomical guidance; they can stem the winds and the waves by the force of their stupendous steam power; they can construct ironways and adapt machinery to them by which we can fly from one district to another at the rate of thirty or forty miles an hour; they can actually converse, when hundreds of miles apart from each other, by means of electric wires; and they can, and do, bring into existence, year by year, a mass of wealth such as no nation ever before possessed (loud and prolonged cheering). Such a people—for it is the people, and not the privileged classes who do all this—ought not to be themselves pressed down into privation and want (hear, hear). There is no *reason*, whatever else there may be, why the humblest working man, if he be steady, should not inhabit a decent dwelling, with a comfortable fireside, and, as Cobbett used to say, a clock behind the door, and a fitch of bacon hanging from the ceiling (enthusiastic cheers). And why is such a state of things almost unknown? Why does a man's industry, which produces such enormous wealth, fail to procure for him the comforts due to industry? Simply because the humbler and middle classes are taxed so heavily on purchasing what they want, that they have no money left for comforts, and for the proper education of their children, so that want and ignorance are still the lot of the million. Sound opinions, however, are beginning to prevail on the subject. The Association, of which so many of us are members, is scattering the seeds of intelligence and the rays of thought throughout the land (hear, hear). Mr. Cobden—success to his labours (a burst of applause); Mr. Hume—all honour to his long-continued services to the public (renewed applause); Mr. Ewart—our worthy townsman—thanks to him for his earnest aid (loud applause and cheers), and other friends of economy and justice are nobly asserting the people's right to financial reform; and the difference between the effects of indirect, and those of direct, taxation is beginning to be understood and appreciated.

Can it be believed, Mr. Chairman, that, if in the year 1792 a system of direct taxation had been in operation, the people of this country would have been urged into a war against the liberties, republican liberties of France? (loud and long-continued applause). Would our rulers, seeing the fiscal barometer before them, have taxed themselves equally with their neighbours to raise and squander in war fifteen hundred millions of money, besides borrowing and squandering loans, and leaving their children to pay a new war debt of six hundred millions? (loud cheers, and

cries of "No"). If it were right to oppose liberty and republicanism in France in 1792, it would have been equally right in 1848; but did we go to war against France last year? ("No," and cheers). And why was this? It was not, indeed, that direct taxation was very greatly in operation, but it was very sensibly felt, and is daily more and more felt, that it must speedily become so, in case of war. And there is intelligence abroad; we have had Sunday-schools, and mechanics' institutions, and an active press at work; and, besides all these, as Lord Brougham said many years ago, we are bound in recognizances to keep the peace in the sum of eight hundred millions sterling. There is, therefore, no war declared against France, at this time, for merely asserting her right to a change in her own government (loud applause).

Very important considerations, my friends, press upon the mind when the origin, or at least the principal growth, of the State debt, and its inconceivable amount, come under notice. In this most onerous affair the people have been grossly imposed upon; and though no breath of mine shall whisper aught that might suggest the slightest breach of the public faith, or, in other words, of the national honour, still, the debt itself ought to be rightly understood, as its peculiarity and its crushing weight form another unanswerable argument for a cheaper administration of our public business, in order that we may fulfil the heavy obligations which have been, as I think, most improperly contracted and imposed upon us (hear, hear). During the early part of the great French war, the standard coin of this country was withdrawn from circulation amongst us, to be expended in the operation of shooting vast numbers of our fellow-creatures on the continent. It is squandered (as English gold money speaks all languages) in guns and gunpowder abroad, and in loans and subsidies to other fighting powers—sometimes to both parties at once in the same quarrel!—and as all the metallic money in the world could not supply such an expenditure, the paper money system was established, in which a promise to pay meant only a promise to give the bearer another promise to pay—one note being merely exchanged for another (hear, and laughter). Of course, the paper mill then went merrily round; money seemed plentiful; prices of corn and all other commodities rose marvellously, and landlords who had not given leases, and farmers who had the good fortune of possessing leases, were delighted with the war. At the doors of the inns on the road they not only called lustily for champagne, but inquired with a lordly air if they could not have something dearer (loud laughter, and cheers). Wheat rose to a guinea a bushel—this was sport for them; but the poor unprivileged artisan could obtain only two or three pounds of flour for a shilling—and this was bitter distress for him (hear, hear).

And let us see how this affected the growing debt at that time, and how it affects us at this moment. So plentiful was the issue of paper when gold could no longer be demanded for it during the war, that gold and all other commodities rose rapidly in value. A guinea became worth 28s. in the depreciated currency; a bushel of wheat was sold at a guinea in that currency; and yet it was in that currency that a great bulk of the debt was contracted. Now, for a considerable period the price of a £100 debenture in the three per cent. consols fell to £50, and even to £47; that is to say, the Chancellor of the Exchequer, in negotiating loans for many millions of money, could only obtain from £47 to £50 for each receipt, binding the nation to acknowledge a debt of £100, bearing interest at the rate of £3 per cent. per annum, till it could pay off the total, or buy up the debentures in the market. Besides the hundreds of millions of money raised in taxes and spent in the war, hundreds of millions of money were thus contracted, and a large portion was incurred in the following manner:—Not to take the price of wheat at a guinea a bushel, but at 20s., and consols not so low as £47, but at £50, a farmer sold fifty bushels of wheat at the Ormskirk market, and received for them £50 of the then currency. This sum he lent to the Exchequer, and received in exchange for it a receipt for £100, bearing interest, however, at only 3 per cent. After the war the paper promises were made redeemable only in gold, and prices, of course, fell in a degree ruinous to all debtors, and thus now stands the account:—The farmer who lent his fifty pounds can at this day have ninety pounds returned to him from the Stock Exchange. But that is not all; if he chooses still to hold his £100 receipt for the fifty bushels of corn he lent, he still receives 60s. per annum for it. Those 60s. will now purchase him ten bushels of corn, as the interest upon his fifty, being exactly 20 per cent. per annum, which we, his debtors, are at this moment paying him. Is not this large sur-

render of produce enough to account for the poverty of the producing classes? (loud and repeated cheers.) Can any man, or any nation, find the means of paying 20 per cent. for borrowed and consumed capital, without the severest privations? (hear, hear.) It is easy to see why the middle classes have been made poor, and the working classes made poorer still. It is properly said, nevertheless, that we cannot alter the bargain; it was made and must be abided by; the claims upon us for the money lent have changed hands, and those who have bought consols during late years have paid good prices for them. True, we must, as I said before, keep faith with the public creditor; but that fact does not lessen the weight of the grievance of which I complain. The burden is the same after all, bear it for whose sake we may. It is still four-fold; it is 20 per cent. instead of 5 per cent. for a large portion of the State debt; and, of course, the fact strengthens our demand for all possible economy, and for equitable taxation.

But the period of high prices, Mr. Chairman, was memorable for other effects besides those already glanced at. Rents became raised to such a degree, and with such promise of permanence, that the scale of living was raised in this country, and style and profusion took the place of foresight and economy. Old mansions were enlarged or new ones built; equipages were increased and rendered more magnificent; war rents seemed capable, indeed, of providing for everything; and when peace was once more secured, and a probable, though yet distant return to gold payments threatened a reduction of both prices and rents, the Corn-law of 1815 was devised for the express purpose of maintaining things in their palmy state, by preventing, at all events, the importation of foreign supplies of food, narrowing our resources to the limited surface of these islands, and drawing from the necessities of the millions the means of keeping up the wealth of the rich and the privileged (loud applause). The law-makers made the law to suit themselves—not the people (cheers). This was, indeed, avowed not long ago, by Sir Edward Knatchbull, who actually resisted the repeal of the Corn-laws, on the ground that reduced prices would not permit the landed interest to provide for their mortgages and the marriage portions of their daughters (laughter and cheers). High prices had swollen all their undertakings, and were an excuse for everything expensive. Increased allowances were made to ambassadors, not because prices were higher abroad, but because the scale of splendour had been raised on every side. Thirty thousand pounds were spent, on one occasion, for snuff-boxes as presents to foreign ministers (laughter), the money tide being so flush and vigorous; and motion after motion was made in the Honourable House for increased salaries to judges and other dignified officials, on the declared ground that the high price of provisions rendered such increase necessary (hear, hear). Now, no one is more ready than I am to admit that the judges are well worthy of most liberal remuneration, though many other richly-paid functionaries are not; but assuredly if high prices were a reason for raising any salary whatever, low prices are an equally valid reason for reducing them (hear). But did you, or did any human being, ever hear of a motion being made and adopted by Parliament for saving your money by a reduction of salaries, owing to the falling of the price of wheat from a guinea to five shillings a bushel? (loud cheers, and cries of "Never.") That is for want of a more direct system of taxation; for the chief burden falls upon the millions, and the millions are not the law-makers.

Looking at the scale of public and private expenditure, let us consider, for a few moments, the effect upon society of the enormous Civil List of this country—of that portion of it, at least, which appears to appertain to the Sovereign's personal establishment.

I am sure no one in this crowded meeting, and no loyal subject anywhere, wishes to deprive our most gracious Queen of one real comfort, or one element of truly regal dignity (vehement applause). But the annual grant to her Majesty is no less a sum than £385,000—that is, £1,000 per day, and £20,000 a year besides; and the very first economic proposition of the Financial Reform Association is, that this £385,000 ought to be reduced to £200,000 (hear, and applause). There is reason to believe that the whole reduction may be effected with advantage to the Sovereign as well as to the country (cheers). None but certain idle hangers-on would be at all disturbed, while the dignity of the Crown and the happiness of her Majesty would suffer absolutely nothing.

The great splendour of the Court—if unnecessary expenditure be splendour, which I very much doubt—has influenced almost all the different classes of society. Princes

of the Royal family have had to claim endowments in some degree commensurate with the style of the monarchy. Noblemen associating with, and sometimes entertaining Royalty, could not do so but with augmented ostentation, which rendered high rents and small taxes more necessary than ever. Country squires—some of them associating with nobility—had to swell out in relative proportion; and to them, as to others, high rents and fiscal privileges were indispensable. These circumstances also affected classes not peculiarly privileged, for fashion will have its way; and merchants proud of county intimacies, tradesmen vying with merchants, and all other classes, down to the lowest grade of well-dressed humanity, namely, “gents,” were tempted to live, and dress, and make displays, beyond their means, and “all to astonish the Browns” (laughter). From the peer to the trader, great expense was indulged in, high-priced bargains were made, heavy mortgages and liabilities incurred, and when utter embarrassment ensued, they found they had justified the song, for that fact “*didn't* astonish the Browns” (loud laughter, and applause).

Many, however, maintained their ground, notwithstanding reduced prices; for they quartered all their sons, except the eldest, upon the country, or upon some of its snug endowments, by political bartering for the sweets of patronage (hear, hear). The law of primogeniture and entail secured the heir in possession of great estates, and in the pleasures of rural life and fox-hunting; but the next, and the next, and the next, were brought up as candidates for the public pay in the army or navy, in governorships or secretaryships, in embassies or sinecures. Few were placed in the useful professions, and none were made merchants or traders. No: had they been guilty of usefulness, Almacks would have been closed against them, and they would have lost caste in the fashionable world (hear, hear, and cheers). The head of the house, then, could afford to provide for one son, while the public provided for the others; and the “gentility” of non-usefulness spread downwards till it reached, and often still influences even the Irish cotter, who, if he has six sons, makes one of them a priest, and leaves the rest to become labourers, for he would not demean himself by bringing them up to be skilled artisans, watchmakers, masons, or joiners. Hence the unthriftiness and consequent pauperism of a large population (hear, hear). Common sense would make honest industry prized and esteemed by all classes, from the highest to the lowest

“Honour and shame from no *condition* rise:
Act well your part—there all the honour lies”—

(loud applause). And when it is seen how a sturdy English workman will struggle to keep even the most helpless of his little ones off the parish; how his honest pride revolts at the idea of resorting to the pauper list or the workhouse, it would be well that the privileged classes should emulate that pride and those struggles, and scorn to leave their children so unprovided for, that they must be supported by the toiling millions, whose own families require all their means to support and advance them in life (applause). At present the scions of distinguished families are not ashamed to seek favour, by any fashionable means, in order to obtain offices, whether in the front stairs or the back stairs, as gold-stick, silver-stick, or fiddle-stick (laughter and applause), so that the public purse may be theirs, and that they may hold up their heads in high places, far remote from all utility.

And here, Sir, we come to a very formidable difficulty, which even Ministers themselves have to encounter in any financial reform they may attempt, and which will at first appear more and more formidable in proportion to the extent and sincerity of their efforts at reform. It is known to most persons here that I am attached, from long-established principle, to what may be termed the liberal school of politics (hear, hear); and although the Association takes no part in political questions, I am free to say for myself, individually, that I am most anxious to see such Ministers as Lord John Russell and his Cabinet powerful and successful in good government; but the state of the two Houses of Parliament is sufficient to prevent them from doing much at a time, and the people have a great duty to perform before truly large and liberal measures can be carried (hear, hear). In a pamphlet now in my hand, reprinted from the *Standard of Freedom*, and entitled “Our Great Military and Naval Parliaments,” a pamphlet which every friend of financial reform ought to have in his possession, the following astounding facts are made manifest. You perceive it is a closely-printed book, and, in describing the state of the House of Lords, no fewer than eleven crowded pages are occupied with the names of the peers who either hold military appointments, or are connected with

military men by birth or marriage. A similar list, occupying nearly thirteen pages, is taken from the present House of Commons, so that the retaining fee in favour of military expenditure is in prodigious force (hear, hear). The following striking passages I must read to you :—

“ In the House of Lords there are 346 peers, or a standing majority of 200 who are directly holding military or naval commissions, or are, by marriage and connexion, as deeply involved in the military system as if they were. Nay, if we trace even these few families to their full extent of relationship, we shall scarcely find one which is not militarily connected. The whole is one intricate network of alliance. As Mr. Osborne justly said—‘ The whole Government is a snug family party.’ Again: while in the House of Lords you have a standing majority of 200, you have 356 persons, or a standing majority of 52, in what is called the People’s House, for the maintenance of a war establishment and official extravagance. You have in both Houses 702 persons banded together to maintain war expenses ” (hear, hear).

It is evident, then, from this state of things, that the public voice, ay, and the public choice, effectually operating at the elections must interfere before even the most honest Ministry can make any very large reductions in our expenditure; and let me add, that this state of things could not have come into existence under a system of direct taxation, because the sensitiveness of the law-makers, for their own pecuniary safety, would have prevented such an enlargement of the outlay (hear, hear). And this brings me to another feature of the impolicy of indirect taxation, which has frequently been observed upon, but which is forcibly pointed out in a recent pamphlet by Mr. Richard Heathfield, of London, a gentleman well known in financial and monetary circles. He says:—

“ The duties on articles of consumption levied through the merchant or manufacturer are charged by the vendors, with an advance to the consumer, more or less, according to circumstances; passing, before they reach the more humble classes, through three, four, and even more, channels of trade, and causing a fearful aggravation of the original tax, before the supplies reach the families of the labourer or artisan. In the aggregate, the difference between the net amount received at the Exchequer, under the heads of Customs and Excise, and the amount abstracted from the consumer, cannot be estimated at less than £15,000,000 per annum. The gross receipts of Customs and Excise for the year ended 5th January, 1848, may be taken at £34,000,000, the net receipts, £32,000,000; but the amount drawn from the consumer, taking the advance paid by him at forty per cent. on the duty paid (a moderate estimate), and adding the cost of collection, is £15,000,000 over and beyond the last-mentioned sum of £32,000,000. Thus, for £32,000,000 paid into the Queen’s treasury, £47,000,000 are paid by the consumer. These duties of Excise and Customs are paid by merchants, manufacturers, and dealers, to the revenue boards: and the large sums so paid, being incorporated in their dealings, fall with great accumulation of weight on the ultimate payers, the consumers, but with the greatest severity on the *working classes*, who usually purchase of a third, fourth, or fifth dealer, as above-mentioned ” (hear, hear).

There is no denying, then, that my Lord Stanley is wise in his generation for calling out for a more complete return to the “ sound principles of indirect taxation; ” for not only does the working man pay as much as the nobleman, so far as he is a consumer, but the nobleman can be supplied at first hand, and thus escape still heavier per centages. This idea of soundness is clearly derived from the breeches pocket of the noble lord, and of those who, like him, are anxious in apportioning the weight of taxation on the different grades of society, to *lay it on thick below* (loud laughter and cheers).

In this the privileged classes have evinced great cunning and consummate tact. They have said to Ministers, “ If you look chiefly to us, the wealthy orders, for your revenue, you will take pounds upon pounds from us; and as we are comparatively few in numbers the result will not meet your wants, to say nothing of our necessities, owing to our splendid style of living, our mortgages, and the marriage portions we have to pay. The humbler classes are millions, and therefore tax *them*, through what they must eat and drink; their farthings and pence, and the shillings of the middle classes, will be equal to our pounds, and far more, so that you may have more to spend in patronage. Besides, being mixed up with the good things on which the people at large expend the bulk of their incomes, they will scarcely per-

to pay the taxes at all; they will merely grumble about the dearth of things, and they must work the harder to make up the difference. Therefore, in all your taxings spare us, we pray, and *lay it on thick below*" (loud cheers). By such means the poor man has been actually brought to pay, in the shape of taxes, from five to seven shillings out of every pound he has earned; while the great proprietor and capitalist has not paid, I am sure, three shillings in the pound on his more ample income (hear, hear).

And how happened it, ladies and gentlemen, that such pressure on the great body of the people, and so lavish an expenditure of their hard-earned means should have been permitted? How did it happen that the people were so bloodwinded, or so indifferent, or so reckless as to submit to so much injustice, and to this mortgaging of their future labour by an accumulating public debt? (hear, hear.) The fact is this, we were involved in a glorious war, we were enjoying and boasting of glorious victories, and had no time to think about our own true interests (cheers). We were busy, day by day, in looking through a long telescope at foreign battles, and at seeing a thousand Frenchmen killed, and only a hundred English; on another occasion, ten thousand Frenchmen fell, and only one thousand English. Those were always about the proportions which John Bull believed in (laughter). And all this time his great ledger was under his nose, becoming full of astounding figures on the wrong side; but he never saw them, or even cared to see them (laughter and applause). Then there was a city in conflagration, and countless men and women slaughtered amid renewed shouts of victory. The telescope was never out of hand; guns were fired; church bells were rung; and flags hoisted even out of tradesmen's windows in Church-street; and still the book of costs lay unheeded till the blaze was extinguished, and then, the banquet o'er, the dreadful reckoning came (loud and prolonged cheering). All this time indirect taxes were continually on the increase, and "duties," as they were called, were laid on everything from the husband's ale to the wife's tea, and from the hat on the head to the leather of the shoe. Nothing escaped; and especially was the rule observed to *lay it on thick below* (cheers), so that although all the money paid was spent, and further sums were borrowed, the higher classes paid the least share, of which, indeed, by means of patronage, they received a good portion back again. Thus it was that a system of extravagance and jobbing became universal, which has remained but slightly checked to this day, and which is admirably, and truthfully, and, therefore, convincingly exposed in the cheap and instructive tracts issued by the Financial Reform Association (loud cheers). Every man and every woman should possess those tracts; they ought to be read and talked about at every fire-side; and, I trust, if any of you now present have not yet obtained them, you will feel self-reproach, as not having done your duty till you have bought and perused them, and scattered the intelligence they afford all around you (renewed applause).

I have much more to say to you, my friends, but I have detained you already too long ("No, no; go on; we'll stop all night, if you will go on"). The time bids me, at all events, to be brief ("Go on"); and I will, therefore, only glance at other circumstances created by the scale of expenditure, which the system has induced, and which press heavily, indeed, on all the productive classes.

The scale of the Civil List, and of war payments, and diplomatic costs, and sinecures, soon began to tell upon law charges and fees to public functionaries in matters connected with law (hear, hear). Instead of pounds, tens were charged; instead of tens, hundreds; and these things have continued till railway bills have been costing the country £30,000 to £70,000, without such sums being considered anything very remarkable; and even actions at law have cost thousands (a single fee being a thousand pounds, sometimes), till justice is often too costly to be sought for. Even in the case of an unopposed improvement act, for a small town, what think you of the costs? The beautiful and salubrious village of Southport—a few miles distant on our own north shore—has been gradually growing to the status of a market town, and it became, of course, desirable that an Act of Parliament should be obtained, authorising the appointment of a few gentlemen to arrange a market, a police, a paving and a lighting board, &c., and to lay a rate for these purposes. I say desirable, though the more correct term would be, legally needful; because, unfortunately, and in order to perpetuate fees, there must be a special act in every similar case, instead of a general act being passed, applicable to any growing town, whenever a decided majority of the householders shall desire it (hear, hear). But, in this case, the thing

required was simple, needful, unquestioned, unopposed—nay, approved by all parties most interested in the welfare of the place. The application to Parliament was managed by most respectable solicitors; and yet, though not the slightest difficulty occurred, the expenses of a bill, enabling a small body of people to do what was right in their own local affairs, amounted to no less a sum than £1,500 (shame, shame). You see what an Augean stable the Association has to cleanse before productive industry can retain its own (enthusiastic cheers).

Then, if we look to a set of every-day operations in our criminal law, you will find offenders brought up before our worthy magistrates for the most palpable thefts—articles taken in sight of the owners—found on the criminals by the police, at the moment, and no denial of the fact is even attempted. What, then, ensues? Punishment? No. Committal to trial, depositions, support while in custody, attorneys in requisition, witnesses subpoenaed, indictments, briefs prepared, counsel engaged with fees, the time of a population occupied in a court, a recorder's attention and legal learning, and, at last, the chance of escape for the known guilty ones, through some legal flaw, the death of a witness, or other casualty incident to the "glorious uncertainty," where, at the very outset, there was no uncertainty at all (hear, hear, and cheers). Thieves are committed to a chance of escape, and we are committed to the enormous costs (laughter and applause). It was distinctly stated in a Westmoreland paper the other day, that a fishing-rod had been stolen at Ambleside, and that the costs to the county, in prosecuting the thief, had amounted to £32, besides his maintenance as a prisoner (hear, hear). In every shape the pressure of costs is felt. If a poor man be in arrear with his parish taxes to the amount of £1, he must pay as heavy fees, if summoned, as the gentleman defaulter who has deferred the payment of £40. Is that justice? (No.) No, indeed; it is laying it on thick below (hear, hear, and cheers).

And if a man rises above the condition of mere existence, and acquires a little property, he is taxed far higher than his richer neighbour with his vast possessions. Is a transfer made to him of a house to live in? It is burthened not only with heavy taxes, but heavy fees. On a purchase of five or six hundred pounds' value he has to pay eighteen pounds; and if next day he chooses to transfer his purchase to a friend, a similar enormous sacrifice must be made. Common sense would say that a mere endorsement on the conveyance, like that on a bill of exchange, would be a sufficient transfer, if coupled with a registration of the fact at the public office of the township. If it were not for duties and fees falling heaviest on small affairs, this would be the plan; and on proper attestation, and paying a shilling at the registry, it would be noted down on the public map—that land No. 1 and house No. 2, hitherto belonging to Mr. A, had been transferred to Mr. B (applause). Some men do not like anything so straightforward as this; but I contend that it would be extremely useful to the public and salutary to individuals that their actual visible property should be known. And why should not this be the case amongst honest men? I remember an important personage, but a very indifferent paymaster, ordering a large and handsome house to be built near this town; and although tradesmen would not have trusted him with goods for export, this seemed to be a very substantial transaction; and rejoiced, indeed, were brickmakers, and bricklayers, and masons, and joiners, and slaters, and plumbers, and glaziers, and painters, to undertake their respective portions of the goodly work. But no one of them ever received a single farthing for it, though the mansion was still there—the creation of their own handiwork. When they applied for money, the answer of the supposed owner was, "I have no money." "Well; but there is the property." "Yes, truly; but it is on my wife's land; it is not mine; you must apply to her trustees" (laughter and applause). The trustees said they had no funds, nor had they ordered the work to be done. The enraged tradesmen (some of them half ruined by the transaction) would have pulled the house down and repossessed themselves of the materials, but they durst not. The building was now part of the freehold, and they had actually committed a trespass in placing it there; it was now a fixture protected by the law, and, of course, they were victimized. Had the registry at the Town-hall showed that the land was held in trust for the wife of the great man, they would not have acted on his orders, but have required a proper authority for the work (loud cheers). An open registry would hurt no honest man, and would prevent a good deal of mischief from parties being credited on false appearances.

The present stamp duties, too, whether on transfers of property, or on ordinary

transactions of business, are regulated on the usual principle—or rather want of principle—small operations being charged at a large per centage; large operations at a small one. This holds good of mortgages, bonds, bills of exchange, receipts, and all other things. “Lay it on thick below” is still the cry (hear and laughter). It is the same with windows—not on the poorest classes, certainly, for a wonder, but on the middle classes; for a moderate number of windows are charged at a high rate, and a large number at a small one, to the great advantage of the occupants of lordly mansions (hear, hear).

Even the poor-rate is founded on a principle which is unjust towards the great mass of the enterprising and struggling classes of society. That rate ought to be laid with some reference to the means of persons to pay it (hear, hear). But it is a fact that a person may have a counting-house, in a heavily-rated parish, at a rental of £30 per annum, and pay only £4 10s. to the poor, though clearing £20,000 a year; while adjoining him there may be a manufacturer or tradesman, necessitated from the nature of his business to incur a rental of £240 a year, and to pay, therefore, £36 to the poor, though clearing only a few hundreds per annum. Here, again, the burden is laid on thick below (hear, hear). The poor-rate, of course, affects the owners of property as well as their tenants; but the principle is unequal, and calls for thorough revision.

All this has grown up from defective legislation, owing to the causes I have been pointing out. And the parish rate, again, is connected with another glaring violation of right—indeed, of constitutional principle—in this country. I allude to the county rate, which is now a very large item in the public burdens (hear). And the worst of it is, the rate is laid, and the money is spent, by gentlemen who are in no way responsible for the reasonableness or otherwise of the amount taken from the people, nor for the wisdom or otherwise of the expenditure (hear). They tax us as they like, and do what they like—in their public capacity, of course—with the money. The Queen cannot do this—she dare not attempt such a thing (cheers), nor either House of Parliament, nor both Houses jointly, without her Majesty's consent, openly given (cheers). Your churchwardens, too, and overseers, and the local boards generally, are under some salutary control, and are, moreover, subject to popular election (hear). Not so, however, the county magistrates—we elect them not—we control not the rates they may lay—we check not their payments. Nice patronage, therefore, exists here (loud applause); and, though I doubt not their honesty for a moment, we know what the love of patronage leads to in many important instances. Is such a system English? Is it constitutional? (no, no.)

The turnpike system, too, throughout the country, partakes of the like injustice, in the absence of popular choice and pecuniary accountability. Gentlemen can qualify themselves as trustees, and dispose of the public money honestly, no doubt, but amongst favoured individuals, for divers weighty local and political reasons, and none can say them nay. This, I think, calls for reform (hear, hear). In all cases we surely have a right to exercise control, either in appointments or in matters of finance, or in both, when it is our own money that is to be disbursed (applause).

Mr. Disraeli has lately been special pleading on the burdens of taxation borne by the landed interest, and he refers to the probate and legacy duties attaching even to the farmer's stock. Why, this is personal property; and so are leasehold houses and other substantial things; but what we complain of is, that all this is charged with duty; while the vast domains of the landed proprietors, descending by inheritance from father to son, are not charged one farthing in the transfer (hear, hear). If any one bequeaths his watch to a friend as a keepsake, it must be handled and appraised, and ten per cent. duty paid for it; while so extensive are the estates descending from possessors to heirs, that a moderate duty on them would be equal to the present income-tax; and yet all those estates pay nothing, though such a duty would not affect, in any case, the present owner, but the new recipient only, who would have no great reason to complain of it, on receiving a property carefully protected for him by the Government, the military power, and the police of the country (loud cheers). No one of you, I am sure, would object to pay the duty on an estate of £10,000 a year coming to you (hear, hear).

Let us then adhere to the distinction in this question; the heirship by the law of primogeniture and entail pays nothing for heritable property; but the houses and lands of a citizen, bought in his lifetime, it may be, and under a lease however long, must pay. For instance, one side of Castle-street in this town is freehold and herit-

able; it pays nothing. The other side is leasehold, and pays on bequeathment from one per cent. to ten per cent. (hear, hear.) Now, the legacy duty is either just or unjust. If just, it ought to apply to all property; if unjust, it ought not to apply to any (loud applause).

But see, again, how the privileged classes—the owners, especially, of farm lands, and the makers of the laws—have helped themselves in other respects, and under rather liberal appearances. They have obtained, apparently for the sake of the farmers, exemptions from duties on horses, and also on bricks used for agricultural purposes, on insurance, on watch-dogs, &c.—duties of a kind to which manufacturers and tradesmen are uniformly liable. But do the farmers really gain by these exemptions? (no, no.) Not in the least. Acres required for farming purposes are taken into calculation; and all these exemptions only render them of greater value in rent (hear, hear). And all this time, commerce, which gives the highest value of all to land, frequently causing it to be reckoned by the yard instead of the acre, being wanted for factories, shops, and residences, is taxed at all points, and laden with customs' duties and excise duties, till, as Mr. Boulton has well observed this evening, it costs in addition, a large sum in the pay of extra clerks, to do the needful work even in discharging those duties, owing to the required attention to bonded warehouses, customs' regulations, and entries of all conceivable kinds (loud applause).

Such are some of the evils, Mr. Chairman, and they are only a portion of them, which have arisen from our attention being drawn aside to less profitable subjects than the cheapness of government and an equitable system of taxation. It cannot be said that the people are incompetent to attend to them. The experience they have had in exercising a considerable degree of local government in parishes and municipalities qualifies them to know the duties of representatives and the rights of constituencies; and while many states of Europe have been disastrously convulsed, England has stood firm in an attitude which has justified the amount of self-government already possessed by the people, and has also proved their title to the enjoyment of the fruits of a wise policy (hear, hear).

But on one point the millions require a good deal of special and immediate education; and I call upon every person present, and upon meetings of a similar description throughout the country, to aid and assist by every means in that education. I allude to the convincing of every man that it is his duty to pay his share of the costs of the Government which protects his person and his rights; and that it is his interest to pay his portion in money saved for the purpose, instead of submitting to be taxed on so many articles of consumption used by him throughout the year (hear and applause). The National Confederation has made a spirited offer of prizes for essays on this subject; and when the best proofs of the advantages of direct taxation shall have been adduced, and the best arguments in favour of adopting it are advanced, we may hope that the poorest man above mere pauperism will join heart and hand in this cause (hear, hear). Instead of paying five or seven shillings out of his twenty—say £13 or £18 a-year, in the swollen price of the taxed commodities he purchases, I verily believe a cash payment of £3 or £4 in the year will be his full contribution to the State, when all classes shall be assessed according to their means (loud applause). Here, then, would be a relief to industry—a means of adding to the working man's comforts, which every thrifty wife in the land will readily appreciate; and to this practical end, therefore, I hope popular education will be directed, especially among the adult subjects of the Crown, so that the great work may sooner be accomplished (loud cheers).

Sir Charles Wood, the present Chancellor of the Exchequer, is alarmed according to a recent debate, at the idea of different rates of taxation being laid upon different descriptions of income; but he or his successor will have to be educated to perceive that justice admits of no other course. The precarious income of industry must not be taxed equally with the permanent income of fixed property. We know well the doctrine which has been too long listened to with respect to taxes—sparing the rich and pressing hard on the poor; and yet the Chancellor made the following admission in the same debate to which I have just referred. He says—and I here quote him to praise him—"In the contentment of the working classes is to be found the best security of those who have a permanent and inalienable property in the soil" (hear, hear, and loud cheers). That is, indeed, a truth which we call upon Ministers and Parliament to realise. We call upon them to bring property under its full and fair share of taxation, in order that the limbs of

industry may be free, and that the people may be permitted to enjoy some comfort in their hard and struggling lives; and to afford to the privileged classes the true luxury of living surrounded by a contented people, paying only their fair share of the state charges, and made proud of their great and glorious country by the ameliorations, social and moral, which will certainly flow from that which we are here to promote, namely a complete financial reform.—(Mr. Smith concluded his speech amidst enthusiastic and prolonged cheering from every part of the hall.)

ANNUAL REPORT.

At the first annual meeting of the Association, held on the 18th of April, 1849, the following Report for the year was read by the Treasurer, Edward Brodribb, Esq., and unanimously adopted:—

“The Council of the Liverpool Financial Reform Association, in presenting to the members their annual report, do not deem it necessary to go into all the details of their operations for the past year, inasmuch as they have been from time to time laid before the members in the reports read at their monthly public meetings.

“In reference to the past month, the Council have to observe that their correspondence has continued much on the same scale, and of the same satisfactory nature as heretofore, bringing intelligence of kindred associations, forming in all parts of the country, and seeking information, together with large supplies of their Tracts, by other communities that have the same object in contemplation.

“The Council have published their address to the tax-payers of the United Kingdom, together with the petition to Parliament agreed upon at the last monthly meeting, in the shape of a four-page tract for gratuitous distribution, many thousands of which have been given away through the agency of other financial associations, while no less than 75,000 of them have been stitched into various periodicals as advertisements. This Tract may be had by any one on application at the office of the Association.

“The Council have also, during the past month, issued an address to the tenant-farmers of the United Kingdom.

“The Council have much pleasure in announcing that Mr. Thomas Beggs, who is well known throughout the country, from his connexion with the National Temperance Society, the Health of Towns Association, and his more recent investigation into juvenile depravity and its causes, has consented, on solicitation, to lecture in the principal towns of the kingdom, on the subject of Financial Reform, in its twofold aspect of reduced expenditure, and the substitution of direct for indirect taxation.

“In taking a review of their present position, after the labours of a year, the Council cannot but feel satisfied with, and congratulate the members of, this Association, on the fact, that no fewer than thirty-six Financial Reform Associations have been organized in the country, viz.:—London: Marylebone, Metropolitan, Westminster (Upper Wellington-street), Camberwell, Westminster (Tavistock-street, Covent-garden); Lambeth, Stepney; Manchester, Oxford, Plymouth, Worcester, Great Yarmouth, Norwich, Ipswich, Bath, Cirencester, Derby, Wrexham, Sheffield, Richmond (York), Hereford, Leeds, Newcastle-on-Tyne, Wednesbury, Denbigh, Edinburgh, Paisley, Leith, Aberdeen, Haddington, Kirkcaldy, Cupar (Fife), St. Andrew's, Perth, and Lentush. Many of these Associations have considered it necessary to connect the question of Parliamentary with that of Financial Reform. In this respect they have so far gone beyond us. The Council, at the formation of this Association, did confidently entertain the hope, that when the Government and the Legislature of the country had clearly pointed out to them the necessity and practicability of a large reduction in the expenditure, they would fairly have met such a necessity; but the Government and Legislature have, however, been tested by specific motions and been found wanting. This fact, unascertained at the formation of this Association, may have had, and that very naturally, its weight with the more recently-formed bodies, in determining them to connect

Parliamentary with Financial Reform. But, constituted as this Association was for Financial Reform alone, the Council feel that, notwithstanding the large amount of information which a year's experience has given them, whatever effect it might have had, if known, on their original decision, they are not at present called upon to seek powers to alter their constitution.

"Important as the reduction of expenditure undoubtedly is, and easy of accomplishment, if honestly attempted, as the exposure of the wanton, wilful, and reckless waste of public money, made in our tracts, clearly shows it to be, yet if reduction of expenditure is to be the only aim and limit of the labours of Financial Reformers, it will infinitely fall short of the requirements of the country's need, and, as such, will not be worth the efforts and sacrifices necessary for its attainment.

"A reduction once effected—and more especially if sufficiently large to satisfy public demands, and thereby lessen its vigilance—can be easily and gradually, and very imperceptibly, replaced by increased expenditure, which may again become ruinous before any further adequate public opinion can be brought again to bear on its reduction—as witness the increase of present expenditure as compared with that of the years 1832, 1833, 1834, and 1835—unless some permanent and self-acting check be introduced. Hence the necessity of what we consider to be the most important object of our Association, viz.: the substitution of direct for indirect taxation.

"Without this, the great principles recently introduced into our commercial policy can never be fully carried to their legitimate extent, inasmuch as a free commerce cannot exist with a restricted consumption.

"A PERMANENT REDUCTION OF EXPENDITURE, AND A COMPLETELY LIBERATED COMMERCE, WITH FREE INDUSTRY, THEREFORE IMPERATIVELY DEMAND AS THE VERY BASIS OF THEIR EXISTENCE, DIRECT TAXATION."

THE COUNCIL
OF THE
LIVERPOOL FINANCIAL REFORM ASSOCIATION
TO THE
TENANT-FARMERS OF THE UNITED KINGDOM.

GENTLEMEN,—We address you without apology; we are men depending, like yourselves, for our support upon our industry, and the judicious employment of our capital; struggling under similar difficulties and burdens, and at this moment are suffering from a general stagnation and depression of commercial affairs, only less severe than that which is spreading ruin among the agriculturists. We are aware of no interest, conscious of no intention, opposed in even the smallest degree to the welfare of the tenant-farmers, or of any class living by industry in this great nation; and we, therefore, willingly embrace the opportunity to offer you, in all friendship and sincerity, a few words of hearty sympathy in this season of distress, and earnestly to invite you to inquire with us how it happens that, in a country so rich in all materials and facilities for the acquisition and employment of wealth, labour should so often fail of earning its due reward—skill, plan and contrive in vain—and capital, even when prudently directed, be lost or frittered away, instead of bringing in a fair return for its employment. Believe us, you would be much in error were you to imagine that men of business enjoy any immunity from the risks, burdens, and difficulties which have heretofore, and do now, so fatally affect you. Except in so far as they may arise out of the nature of your agreements with your landlords, we share fully in them all, and have many from which you are exempt.

our common sufferings have, we firmly believe, a common origin, and must be relieved by the same remedy. It is time for all who live by labour to understand and assist each other. We are aware that some of those to whom many of you have hitherto looked for counsel and direction, attribute the existing state of agricultural distress to the repeal of the corn-laws, or the pressure of certain real or imaginary burdens, which are stated to fall with peculiar weight upon the tenant farmer; while others, more reasonably, complain of the malt and hop duties. But agricultural distress, similar, and even more intense, occurred repeatedly while the corn-laws were in full operation, as the reports of various committees of both houses of parliament are yet in existence to testify. While, instead of being unduly taxed, either for national or local purposes, beyond the inhabitants of towns, the farmers are expressly exempted from several oppressive and annoying imposts—as the window-tax, and duties on horses, dogs, and insurances—which are borne by every other class in the country; and neither for poor's-rate, nor for highway-rate, are their payments in general anything like so heavy, in proportion as in towns; besides which, these charges being known beforehand, must be considered in making an agreement, and thus ought to fall in great measure upon the rent. That the malt and hop duties are a grievous burden upon a most important domestic trade; that they throw some barley land entirely out of cultivation, and make unprofitable the occupation of much more; and that their repeal would, therefore, to some extent, improve the position of farmers holding such land under unexpired leases, we fully admit. We believe, also, that though duties upon commodities fall principally upon the consumer, they generally, at the same time, seriously lessen, and frequently destroy altogether, the profit of the producer or importer. We shall, therefore, gladly aid you, as far as may be practicable, to procure the removal of these obnoxious imposts; but we cannot perceive that any general or lasting improvement in the condition of the tenant-farmers or their labourers is likely to result from their repeal alone; and we should deceive you grossly, were we to lead you to imagine that such a measure can, with any appearance of probability, be expected, as a *first* step in financial reform, or, in our opinion, possesses any peculiar claims to such a position. The arguments for the repeal of the malt and hop duties, however in themselves strong and unanswerable (as we believe them to be), are not more so than those for the abolition of (excepting, perhaps, spirits) every other excise and customs' duty, while it may very fairly be doubted whether the claims of soap, of bricks, and of paper; of tea, sugar, coffee, timber, and even tobacco, are not yet more urgent, if considered with reference to the interests of the great body of consumers—the public at large; and we would, therefore, earnestly pray you to consider whether your agitation for malt-tax repeal is not, in all likelihood, destined to fail, as all movements for the repeal of individual taxes have failed hitherto, and invite you to join us in demanding the absolute and unconditional emancipation of all industry from the bondage of the excise and customs; and the adoption, instead, of a simple and equitable system of direct taxation, fairly assessed upon all classes in proportion to the nature and extent of their respective means. We believe that the principal cause of the frequent return of periods of distress, like the present, among the tenant-farmers, is to be found in the short and uncertain tenure by which their land is generally held, and the arbitrary and unreasonable restrictions upon cultivation; or, in other words, upon the skill and enterprise of the cultivator, too generally insisted on by the landowners; that such conditions could never be exacted by one party, nor submitted to by the other, but for the excessive competition for farms,—enabling the one to impose, and driving the other to concede, any terms, however unjust, or contrary to the real interest of both. And we are of opinion that this competition is greatly aggravated by the present system of taxation, whereby the poor are practically forbidden to enjoy many of the comforts and even necessaries of life; the field for the employment of talent and industry is miserably limited, and thus, as one effect, among many others equally deplorable, farmers are continually rising up, who, from absolute inability to find other occupation, will consent to brave the fearful risk—may we not say the probable ultimate ruin—of a tenancy-at-will, with a restrictive game-preserving agreement. It is our firm conviction that, until this system is rooted out, the tenant-farmer can never be placed in such a position of comfort, independence, and moderate prosperity, as every real friend of agriculture, and agriculturists must desire for him. Towards this result, the repeal of the corn-law is the first important step; foreign competition will necessitate improvements in cultivation, to accom-

plish which, long leases and reasonable conditions are, in most cases, indispensable. But to complete the farmer's emancipation, and to substitute universally a fair, business-like contract between landlord and tenant for the present unequal and barbarous semi-feudal tenure, the opening of every other channel for the profitable employment of skill and capital is still necessary. We invite your assistance in this great national work; we believe that thus, and thus only, may all those who, whether in agriculture, manufactures, or commerce, seek a living for themselves by producing, or supplying to others, the comforts or necessities of life, be freed from the cruel anxieties and disappointments which now too often await their best endeavours; and the day's return in which diligence and frugality, combined with ordinary prudence and judgment, shall bring, under the Divine blessing, that reasonable reward, whereof we now so often see them utterly fail. Into various other evils, inseparable from the present system of taxation, we do not now enter. We forbear to enlarge upon its enormous and wicked inequality and injustice, though these alone should condemn it altogether, or its thriftless waste and loss in collection and payment; we omit the mischief and wholesale demoralisation of smuggling and adulteration; we say little at this time of the oppression of the poor, or the daily iniquity of fining innocent parties for breaches of revenue law committed by others; nor do we enlarge upon the obvious tendency to peace and mutual friendly feeling between different nations implied in open ports, and the wars and jealousies which have arisen out of tariffs and custom-houses; or insist upon the truth proved by all our history, that direct taxation is the only effectual means to ensure an economical expenditure, while a revenue collected by customs and excise duties is always squandered in waste, profusion, or corruption. These matters we now only throw out for your consideration; should it seem likely to be useful or acceptable, we may hereafter address you further upon some of them. For the present, we have applied ourselves to the question, as, in our judgment, peculiarly affecting your interests as tenant-farmers; and we conclude by commending whatever truth our remarks may contain to your candid attention.

Signed by order of the Council,

WILLIAM FOULKES, Secretary.

SLAVE-TRADE ABOLITION EXPENDITURE.

It is an admitted fact that our abortive attempts to suppress the slave-trade have only had the effect of aggravating its horrors. Keeping that fact in mind, the reader will form his own conclusions as to the wisdom of maintaining the following offices:—

CHARGES OF THE CIVIL ESTABLISHMENT ON THE WESTERN COAST OF AFRICA.

SIERRA LEONE—	
Governor, £2,000; Judge, £1,500; Advocate, £500	£4,000
Colonial Secretary, £600; pension to late Colonial Secretary, £300	900
GAMBIA—	
Governor, £1,000; Judge, £800; Secretary, £450	2,250
Advocate, £400; Commandant, £130	530
Steam vessel	2,000
GOLD COAST—	
Expenses of the forts of Cape-coast Castle and Accra	4,000
	<hr/>
	£13,680

SALARIES AND EXPENSES OF COMMISSIONERS FOR SUPPRESSING
THE TRAFFIC IN SLAVES.

SIERRA LEONE—	
Judge, £2,250; Arbitrator, £1,500; Registrar, £750	£4,500
Other expenses	1,400
HAVANNA—	
Judge, £1,600; Arbitrator, £1,200	2,800
Other expenses	330
SURINAM—	
Arbitrator, £1,200; other expenses, £300	1,500
CAPE OF GOOD HOPE—	
Commissioner, £1,200; Arbitrator, £800; Registrar, £500	2,500
Other expenses	450
JAMAICA—	
Commissioner, £1,200; Arbitrator, £800; Registrar, £500	2,500
Other expenses	170
CAPE VERDES—	
Commissioner, £1,200; Arbitrator, £800; other expenses, £160	2,160
LOANDA—	
Commissioner, £1,500; Arbitrator, £1,000; other expenses, £460	2,960
Stationery and contingencies	1,730
	£23,000

In addition to the foregoing expenses, payments, amounting to £54,288, were made in 1847, direct from the Consolidated Fund, to the officers and crews of the ships of war on the African station, for bounty on slaves, and tonnage on slave vessels.

There is also the vote for support of captured negroes £30,000

The Estimates contain no particulars of this expenditure, but, fortunately, the way the money has been spent can be learned from an account published in the Appendix to the Report upon Miscellaneous Expenditure (1848). It is headed, "Account in detail of Payments out of the grant for captured Negroes and liberated Africans in the last three years" (1845, '46, '47). The account consists of 148 items, 93 of which are not payments either to or for Africans of any kind, but they are nearly all payments consequent upon illegal seizures of vessels erroneously supposed to be slavers—*e. g.*, "Expenses paid as amount of indemnification to the owner of the Bremen barque, Julius and Edward, £3,000."

If it were right that the expense of illegal seizures should be borne by the nation, while the proceeds of legal seizures are divided as prize-money, it is evident that the funds needed to expiate these expensive blunders should not be obtained from Parliament under the pretence of being wanted for the "support of captured negroes." The remaining fifty-five items include many payments to negroes neither "captured" nor "liberated," such as—

"Presents supplied to the Kings Eyo and Eyamba, of the Old Calabar River, £869."

But the most remarkable charge in this account of payments on behalf of poor captured negroes is—

"Property-tax deducted from salaries of colonial officers, &c. £119"

It is scarcely credible that the colonial officers pay their personal taxes with public funds granted by Parliament for "the support of captured negroes and liberated Africans."

Sir William Molesworth, in his admirable speech on colonial misgovernment last session, said, that we had upon the African station last year a fleet of 24 ships, with a complement of 2,781 men; and its cost was returned to Parliament for wages, victuals of crews, and wear and tear of ships, at £301,628 a year! He also stated that "at least half a million a year is the direct expenditure by Great Britain in the vain attempt to put a stop to the slave-trade."

THE LIVERPOOL
FINANCIAL REFORM ASSOCIATION.

The *Objects* of this Association are, to procure the most rigid economy in the Public Expenditure consistent with good and efficient government; and to change the present system of Taxation, by the substitution of *Direct* for *Indirect* Taxes. The reasons may be found in the Tracts.

Subscribers of 10s., or upwards, per annum, are entitled to all the Society's publications for the current year, postage free.

Post-office Orders to be made payable to EDWARD BRODRIBB, Esq., North John-street, Liverpool.

Subscriptions are also received at the Commercial Bank of London, Lothbury, and 6, Henrietta-street, Covent-garden; also by Mr. EFFINGHAM WILSON, Royal Exchange; and Mr. CASSELL, 335, Strand, and 80, Fenchurch-street, London.

The Tracts may be had at the Office, 26, North John-street, Liverpool, and from SMITH, ROGERSON, and Co., Lord-street; and sold by all the Booksellers. LONDON: The Trade supplied at the Office of the *Standard of Freedom*, 335, Strand; and by SIMPKIN, MARSHALL, and Co., Stationers' Hall-court; GEORGE VICKERS, Holywell-street, Strand; EFFINGHAM WILSON, Royal Exchange; H. BINKS, 85, Aldersgate-street; CHARLES GILPIN, 5, Bishopsgate-street; JAMES GILBERT, Paternoster-row. DUBLIN, by GILPIN, Dame-street. MANCHESTER, ABEL HEYWOOD. EDINBURGH, J. MENZIES, Prince's-street.

FINANCIAL REFORM TRACTS.

No. 17.

EVILS OF INDIRECT TAXATION.

SECTION VI.

THE INDIRECT TAX UPON A COMMODITY, SUCH AS TEA, WITHDRAWS CAPITAL FROM PRODUCTIVE EMPLOYMENT.

In all the evidence taken and discussions raised upon the tea duty hitherto, the question of a fixed duty on all qualities as now levied, or an *ad valorem* duty (which is a graduated tax, varying with the quality or supposed quality of each kind of tea), as levied after the opening of the China trade, in 1834 and 1835—this question has occupied the first place. Merchants, brokers, and revenue collectors, have alike condemned the *ad valorem* duty as impracticable. A few theorists, with Mr. M'Culloch at their head, writing of commerce, as the liveliness or dullness of their imagination may suggest, still hold out for an *ad valorem* duty on tea.

But the Financial Reform Association take other ground. The impracticability of levying an *ad valorem* duty—the unfairness of levying a fixed duty on all qualities—the impolicy of taxing an article so necessary to domestic comfort as tea, which is the leading article of commerce with three hundred millions of persons willing to be customers for our principal manufactures, lead the Association to the alternative of free-trade in tea, and a simple tax on income instead; they, therefore, pass over all the arguments for and against an *ad valorem*, or a higher or lower rate of duty.

Besides the arguments against any duty on tea, cited in preceding sections, there are others. One, and not the least, is, that the duty requires a much larger amount of capital to be invested in the trade than would be adequate to carry on the trade free of duty; and this results in benefit to nobody, except a few great capitalists who have practically a monopoly of the trade. Indeed it may be doubted if that which impoverishes the consumer of tea, and the industrious producer of national wealth, can ultimately be a benefit even to the capitalist, whose wealth gives him a monopoly of the trade.

The capital which purchases cotton and manufactures it, providing machinery, paying wages, rent, rates, and charges of conveyance to and from the seaport; which provides ships, victualling, manning, and insuring them, to carry the calico to China; which incurs all the risks of delay, fluctuating markets, and local charges there; which brings tea in return, again manning, victualling, and insuring the ships; paying dues for lights, harbourage, warehousing, and all the attendant charges, besides interest on its own amount;—*that capital*, though it land the tea on the very wharf whence the calico was shipped which went to purchase it, is not enough: three times more capital is required to pay the duty on the tea. If £1,000 conducted the transaction up to this point, £3,000 additional is now required, and is withdrawn

from the office of production somewhere. This makes £4,000. It is not forthcoming, but at a per centage. Why should it? It liberates the tea from bond, and is exposed to all the risks of credit and bad debts, which the £1,000—the actual purchase-money of the tea—is exposed to. And it is withdrawn from that productive employment which makes the nation more wealthy, and yields a profit. It yields no profit, adds to no production now; on the contrary, it is capital advanced for the purpose of making the nation poorer than it was. But a per centage must be paid for, or realized upon, its use. The wholesale dealer must provide £4,000 instead of £1,000 to purchase the tea, and must charge a per centage for that additional capital besides reimbursing himself. The retail dealer must find £4,000 instead of £1,000 to purchase the tea, besides cash to pay the per centages of the wholesale dealer on the extra £3,000, and profit on the £1,000 worth of tea; and he must have a per centage for his extra £3,000, besides profit on his £1,000 worth of tea. The housewife pays 4s. 6d. for her pound of black tea, instead 10d. or 1s.; and little slip-shod Sally is sent by her mother to buy half an ounce of tea, when otherwise she would have been sent for two ounces or a quarter of a pound. The cotton moves slowly to the mills, and the mills stand still or work short time, or afford short wages to those who are buying their half-ounce or ounce of tea, instead of a quarter of a pound, because £4,000 is required to bring the tea into the market, instead of £1,000, and because it takes as much money to buy an ounce as it should do to buy a quarter of a pound.

Mr. Wilson, of Westminster, speaking on this branch of the subject, says:—

“I think to reduce the duty on tea would not benefit the trader with capital. I think the trade has advantages in high prices. I will give an example—the present price of sound congou tea is about 10d. to 11d. in the market. The duty is 2s. 2½d.; that makes it 3s. 1¼d.; and the great mass of the people have that tea at 4s. a pound. If that tea were to continue at 11d. a pound and the duty at 1s.” (Mr. Wilson is contending for a one-shilling fixed duty), “you would have that tea sold at 2s. 4d. a pound, so that the difference in the duty would be 1s. 2d., and the difference in the price to the consumer would be 1s. 8d.

Q. “You state that the difference in the duty would be 1s. 2d., while the difference in the price to the consumer would be 1s. 8d.; will you explain why the difference in price would not precisely correspond, but would be greater than the difference of the duty?”

A. “*Because the capital employed would be less, and the competition be greater. The proportion of 5d. per pound profit on 2s. 4d. would be nearly as great as 10d. upon 4s.* A man who keeps a small shop has not capital now to go and buy a chest of tea; he goes to a great house—that man buys his 7lbs. or his 14lbs. of tea, and then he retails it out to the poor, and there is an intermediate profit upon the transaction. If credit be given, he pays a larger profit still. If the price were less, he would be able to buy a chest and save the intermediate profit, and have the advantages of overweight.”

Mr. Brodribb, of Liverpool, urged those facts more strongly, and from the obtuseness of one or more of the members of the committee who could not see or understand them, at greater length, he said:—

“The poor class of people consume the best tea, because they find it the cheapest. I have stated the average price of black tea to be 1s. 1¾d., and of green tea to be 1s. 6¾d. The inference which I wish to draw from that is the great impolicy and injustice of the present heavy duty of 2s. 2½d. on tea. On low congous at 8d., which is £2 16s. a chest, the duty is not less than £9 2s., and it necessarily interferes with the extension of the trade, creating a necessity for a very much larger amount of capital than would otherwise be required. Where the cost of the article is £3, and the duty on it £9, of course a remunerating profit both for the interest of money and insurance against risk of losses by bad debts, must be placed on the amount of the duty as well as upon the tea. *It brings the duty in effect to no less than 2s. 9d. a pound.* So that the tea which is sold at 8d. (in bond) before it can come into the shop of the retail dealer costs no less than 3s. 5d.”

This seems clear enough to be understood, but Mr. Brodribb was asked—

Q. “Will you explain how it is that you make the calculations that the duty is raised in effect from 2s. 2½d. to 2s. 9d.?”

A. “By adding a profit of 25 per cent. for the *interest of money, and the necessary*

risk attending the payment of the duty. In point of fact, to the wholesale dealer the duty is the largest portion of the cost of the tea."

This satisfied some of the members, but not all. The examination continued:—

Q. "You say that 8d. tea does not reach the retail seller except at a price of 3s. 5d. a pound; is that the selling price? or does he put a profit upon it before he sells it?"

A. "That is the cost price to him, with the duty and 25 per cent. added to that duty; and upon that he has to put his profit upon the tea; or, rather, if you take the profit upon the tea of the value of 8d. at 2d., and a profit upon the duty of 2s. 2½d. at 6½d., the retail dealer would then be able to sell that tea at 3s. 7d. after getting 25 per cent. profit.

Q. "Is it usual, upon transactions of that kind to add 25 per cent. for the advance of money for the payment of that duty?"

A. "When the wholesale dealer has to give an open credit of three or five months, and he has to run the risk of losses by bad debts, he must have some profit as a guarantee and insurance against those risks.

Q. "Do you think it is usual, speaking as a man of business, to add 25 per cent. for the advance of money for the pre-payment of the duty for any article?"

A. "I think 25 per cent. between the tea leaving the hands of the importer, and reaching the consumer, is a usual advance compared with nearly all other articles.

Q. "You say that there is 25 per cent. charged for the advance of money for the payment of the duty?"

A. "No. I do not say that. *The duty forms a portion of the capital employed in the person's trade, both the wholesale dealer and the retail dealer. He requires a profit upon the duty as much as he does upon the first cost of the tea. And if, upon 100 chests of tea, which he could get from the importer for £300, he has to pay £900 more before it can be put into his warehouse, and sent to the shop of the retail dealer, he must have a profit upon £1,200. I think that the profit on the article, after it leaves the hands of the importer, and before it reaches the consumer, will generally, one way or another, amount to 25 per cent.*

Q. "Upon the tea and upon the duty, as a kind of insurance against bad debts, do you mean to say that 25 per cent. is charged?"

A. "I mean between the time when it leaves the hands of the importer and the time when it reaches the consumer.

Q. "Taking the price of the importing merchant at what?"

A. "At 8d. Then I put 25 per cent. on that 8d. before it comes into the possession of the consumer of the tea. Having to pass through the hands of the wholesale trade and the retail trade, to that I add 2s. 2½d., which is the duty; and upon that I add 25 per cent. more, which brings it up to 2s. 9d., making the cost 3s. 7d. to the consumer."

This evidence can neither be controverted as matter of fact, nor strengthened as matter of argument. With it we conclude our analysis of the tea trade, as affecting the question of DIRECT against INDIRECT TAXATION.

We have seen that the indirect tax of the tea duty obstructs the exchange of our manufactures with the Chinese, by limiting the consumption of one of the most desirable necessities of life in this country; that it thus restricts the employment of productive capital, the employment of industrious hands seeking to be employed, and keeps wages low; that it affords an irresistible premium upon adulteration and fraud, preventing the best qualities of tea from being imported, and deteriorating the others; that it opposes the social comfort and moral elevation of the working millions of the population; that it not only obstructs the employment of capital in our productive manufactures, but withdraws it from the offices of production, to be employed without profit, and at an accumulating loss in the artificial enhancement of price; that while it keeps ships empty, and restrains the shipbuilder from providing the vessels which an enlarged trade would require, it feeds the improvidence of a system of government to which the payers of a direct tax would not submit. For these reasons, and because it is one of the chief taxes for the collection of which our enormous revenue system is maintained at an expense of about seven millions sterling a year, the Financial Reform Association pronounce against the tax on tea in any form, and of any amount.

DIRECT TAXATION.

SECTION VII.

THE TEA TRADE.

OF such Custom-house frauds as those indicated in the six previous sections, the Association might continue their proofs, and add to them from evidence elicited by Parliamentary committees and known by experience, until volumes were written and printed. But volumes are not read when the matter is the same, again and again repeated; or, if read by a few persons, volumes on such topics are not fixed in the memory, digested, and practically applied.

The Association accommodates those who are too busy or too impatient to read volumes; and, while they do so, hope to reach by their Tracts those, too many in number, who do not read, or think, or inquire about the principles of national wealth, until the facts connected with them are strongly, vividly, and repeatedly placed before them.

They, therefore, pass from the question of *direct* against *indirect* taxation, as illustrated by the robbery of the revenue through the revenue servants—a great, yet a minor consideration, and proceed to the question of *direct* against *indirect* taxation, as illustrated by the obstacles which *indirect* taxation opposes to productive industry, and the free operation of productive capital.

They first take the *tea trade*, and will glance briefly at its history.

At what precise period tea became known in Britain is uncertain, but prior to 1667 none was imported by the East India Company. The small quantities introduced about that time were decocted, and in the liquid state was subject to an excise duty of 8d. per gallon, being sold in coffee-houses and similar places of refreshment.

In 1667 the East India Company sent out their first orders for 100 lbs. of the best "*tay*," as it was then expressed in speech and writing.

From that period up to 1700 the duty on tea was altered several times, and the selling price varied from 10s. to 24s. per lb. for an article supposed to have been of equal quality.

In 1747 the tea duty was reduced, and the consumption greatly increased. In the following year the duty was further reduced on certain qualities, and the consumption was further increased in consequence.

In 1784 the consumption of the United Kingdom had reached about five million pounds weight. Mr. Pitt was then taking the initiative in those measures of a reformed commercial policy, which the country condemned, as with one voice, in the advocacy of which he toiled against prejudice, ignorance, party spirit, and ingratitude, for six years, and succeeded but partially with some; and was defeated entirely in others. He was defeated (1785) in the attempt to establish a free trade between England and Ireland; was successful only in a partial degree in opening a trade with France (1787); but succeeded in very materially reducing the tea duties (1784). At that period the duty was 1s. per lb. on all qualities, with an additional 67 per cent. of *ad valorem* duty. These Mr. Pitt reduced to 12½ per cent. Immediately the consumption rose. It was about five millions in 1784, and in 1795 had reached twenty-one million pounds weight.

In the latter year the war-spirit of nearly all the British people, through political mistakes of all classes, rendered an augmentation of taxes requisite to maintain the war against France; a war which undid all the good, and much more, effected by Mr. Pitt in the first eight years of his Ministry. Tea was one of those articles which the Minister readily laid hold of for his war budget. He increased the tax from 12½ to 20 per cent., and soon after to a higher rate, by which the consumption was restricted. Nine additions to the duty were imposed from 1795 to 1834—the period when the East India Company's charter was abrogated. At this last period, though the number of pounds weight taken for the United Kingdom was greater than in 1795, it was less than it ought to have been in proportion to the increase of population.

At the expiration of the Charter of the East India Company, the tax was 96 per cent. for all teas sold under two shillings per pound, and 100 per cent. for all at and above two shillings per pound.

In 1834, the trade being opened, an attempt was made to levy the duty according to a scale which was supposed to mark quality, namely, 1s. 6d. per lb. on the lowest tea, 2s. 2d. per lb. on the middle, and 3s. per lb. on the finest kinds. This scale was also constructed on the principle of taxing the article as nearly as could be estimated with a duty of 100 per cent.

In 1836 this was abandoned as impracticable to all, and ruinous to many merchants; and other schemes were devised, which, partially more sound, had and still have the elements of ruin to capital and wrong to society in them. Human ingenuity has exhausted itself in devices to make this tax bear easily and equitably on the consumers of tea. Failure has followed failure. A very low duty might have fulfilled some of the commercial hopes and political prophecies formed at the different changes; but while the national Exchequer could not bear the loss of the high duties—no substitute being offered—the *reduction* of the duties was not enough to liberate and nourish this mighty arm of commerce—an infant arm then and now; a giant's arm destined to be. But the Financial Reform Association offer a substitute for this unwise impost, which shall at once meet the legitimate wants of the national Exchequer, and set this branch of commerce free to grow to its natural magnitude.

They offer to teach the nation how simple and efficient *direct* is over *indirect* taxation.

Several devices were presented to the country, but not enacted as law, instead of the scale last named. That at last adopted was a uniform duty of 2s. 1d. per lb. until 1840. At that period the financial necessities and political despair of a nominally liberal Government, obtained an addition of five per cent. to nearly all Customs' duties. This brought the tax upon tea up to 2s. 2½d. per lb., at which (1849) it still continues.

In 1847 a committee of the House of Commons was appointed, on petition of the merchants interested in the trade with China, of whose report and evidence the Association will now avail themselves. The committee consisted of—Lord Sandon (chairman), Mr. Francis Baring, Mr. Beckett, Dr. Bowring, Mr. Brown, Mr. Cardwell, Mr. Ewart, Mr. Harcourt, Mr. Hawes, Viscount Jocelyn, Mr. Mathewson, Mr. Moffatt, Mr. John Abel Smith, Mr. Spooner, Sir George Staunton.

This committee sat sixteen days, the average attendance being upwards of two-thirds of the members. It examined forty-six witnesses, comprising seventeen merchants engaged extensively in the trade with China, amongst whom were the chairman and the deputy-chairman of the London East India and China Association; the president of the Manchester Chamber of Commerce; five manufacturers engaged in the making and shipping of goods for the China markets; nine persons in the home tea trade; the secretary of the National Temperance Society, and others, of whom nineteen have, more or less, resided in China, and have been more or less connected with the trade there; from which persons the committee derived a large mass of most useful and minute information, extending to upwards of four thousand nine hundred questions and answers, on which their report has been founded.

Regarding the exorbitance of the duty, its limiting our exports, and ultimately endangering altogether our trade with China, and thereby seriously interfering with the employment of labour, the report says:—"Your committee regret to state, on undoubted evidence, that the trade with China has been for some time in a very unsatisfactory position, and that the result of our extended intercourse has by no means realized the just expectations which have been naturally founded on a freer access to so magnificent a market.

"Whether we look to the tables of exports which mark a declension of exports in nearly every branch of manufacture, or listen to the statements of experienced merchants and manufacturers, we are brought to the same conclusion.

"We find the exports of cotton manufactures decline between the years 1845-46 from £1,735,141 to £1,246,518 in value; those of woollens, in the same period, from £539,223 to £439,668.

"We find that on a great proportion of the trade for the same years, the loss taken

both ways, *i.e.*, that on the manufactures sent out, and on the tea brought home in payment, may be fairly stated at from 35 to 40 per cent.; so great, indeed, that some manufacturers have abandoned the trade altogether, and that much of the tea lately sent home has been sent on Chinese account, the English merchant declining to run the risk of the venture. We find that the difficulties of the trade do not arise from any want of demand in China for articles of British manufacture, or from the increasing competition of other nations. There is no evidence that foreign competition is to be seriously apprehended in the articles of general demand. The sole difficulty is in providing a return.

“Of these (tea and silk) England and the United States are nearly the sole consumers; and thus it happens that the advantages which were so naturally expected from commercial access to a civilized empire of above 300,000,000 people, are practically limited by the extent to which these countries are willing or able to consume these two products of the soil of China.”

After alluding to the silk trade, the committee proceed to say:—“On a first cost, ranging on the qualities in most general demand from 8d. to 10d. in the ports of China, if any reduction can be effected, it might be of advantage to the merchant, but would have no important effect upon the selling prices in England. It is only through the duty—a duty, on the average qualities, of about 200 per cent., and on the worst qualities of about 350 per cent.—that any such reduction to the consumer can be effected, as to stimulate consumption in any sensible degree, and such a reduction thus becomes essential to a healthy and extended trade.”

As affecting the social condition of the people, and our relations with China, the report observes:—“That it is also desirable in itself as promoting the increased consumption of a beverage wholesome and agreeable to every class of our population, and one which is increasingly desired as a substitute for intoxicating liquors; and that it would be no more than is due to the Chinese, who tax our products so lightly, while we burden theirs so heavily, and with such inconvenience to their trade.”

Respecting the effect of such reduction on the revenue, the committee remark:—“In fact, the whole difficulty exists in the effect which any material reduction, and none other would be of much value, may be expected to have upon the *resources of the Exchequer*.”

This the Association, as already stated in this section, are providing for.

SECTION VIII.

THE TEA DUTY.

The arguments urged in favour of a reduction of the tea duty, by the House of Commons' committee of 1847, and by the witnesses which that committee examined, are arguments bearing with equal truth, and far greater force, in favour of the abolition of the duty.

It was proved that a reduction of the tax of 2s. 2½d. per lb. to 1s. would increase consumption of tea in Britain, and facilitate the sale of British manufactures in China. But by the same proofs the free import of tea would effect those desirable results sooner, and in a larger proportion of increase than the relative proportions of the present high and the proposed low duty.

Evidence was adduced to prove that which not even the most obstinate unbeliever in free-trade denies or doubts, namely, that tea is preferable to intoxicating liquors; that social comfort, moral dignity, and intellectual strength, arise and are extended through society wherever temperance leads the way; that tea is the genius of temperance, carrying with it a happier life wherever it enters a family, and dislodges that thief and tyrant which at once steals away the brains and the money; that tea is restrained in its regenerating mission by the heavy tax upon its use; and that, if the tax were reduced, it would be more efficient as a moral agent for good. But how much more would the *abolition* of the tax enlarge the moral agency of this necessary of life?

Let us glance at some of the evidence. First, at the proofs given by commercial witnesses that the tea duty is an overpowering enemy to the extension of British exports to China.

Mr. Robert Gardner stated :—" I am a spinner and manufacturer, and have been a considerable shipper to China."

" What have you felt to be the operation of the duty on your transactions ?"

" I think it is most injurious : *our trade is limited only by our returns.* As to the capabilities and dispositions of the Chinese, I believe that *if they had the means of paying for them they would take nearly all the goods that we could manufacture in Lancashire.*"

This is a remarkable declaration ; but Mr. Gardner is speaking the opinion of many other experienced merchants, and is referring to the requirements of three hundred millions of customers, inhabitants of China. He continues :—

" It has been asked why we should continue so bad a trade ; permit me to say that we never contemplated the present state of things. We took the matter as certain that, after the Chinese had taken *almost all the duty off our goods*, our Government would have met them with a corresponding reduction. Anticipating this, we continued our shipments. Sir Henry Pottinger, when he was in Manchester, spoke much about the facilities for extending our trade, and we still hoped that Government would have remitted part of the duty on tea. Therefore, we continued to ship not what the Chinese could have consumed, but to the extent we considered they had the means of paying for. In consequence, the entire trade of 1846 has been most disastrous. There has not only been a loss upon all the goods shipped in 1846, but a great loss upon the returns. We anticipated, when the trade was opened, a very large and beneficial intercourse with China, but instead of which most houses in the trade have suffered heavy losses. It has been a most ruinous trade."

The following statement of the cost of calico in Manchester and of tea in China is instructive ; it was referred to in Tract No. 3, but will bear repetition, now that the Association are going more fully into the question of the tea duty :—

" The committee," said Mr. Gardner, " have heard shirtings named. A piece of shirting, the cost of which, in Manchester, is from about 9s. 6d. to 11s., according to the quality, will purchase twelve pounds of the average quality of tea. The Chinese levy a duty upon that piece of shirting of 7½d. ; and we levy upon the tea which we receive in exchange for it 26s. 3d. Gray cotton shirtings is one of the largest articles of export. Yarn is the next largest article. Upon yarn they levy a duty of near five-eighths of a penny per lb. ; 12 lbs. of average quality of yarn, or one piece of average quality of shirtings, will more than pay for 12 lbs. of the average quality of tea. I am convinced that a reduction of the duty might be made, if it were done judiciously, without any loss whatever to the revenue.

" I find that in 1783, the duty was about 3s. 6d. the lb. In speaking of the quality and the price of tea, the trade always alludes to one standard quality. This standard quality, in 1783, was 7s. 6d. to 8s. the lb., including the duty, which was then about 3s. 6d. In 1784, the duty was reduced to 12½ per cent. *ad valorem* ; consequently the price to consumers was from 3s. 8d. to 3s. 10d. ; and the consumption rose in one year from 4,700,000 lbs. weight to 10,159,000 lbs. ; and the year after it was 15,851,000 lbs. In 1795, within twelve years afterwards, the consumption rose to 21,342,000 lbs. If the Committee will calculate, they will find that the public paid more money for tea in 1784, at the price of 3s. 8d. to 3s. 10d., than they paid the previous year when it was 7s. 6d. to 8s.

" The consumption of tea continued to increase more or less, as the duty was higher or lower, till last year (1846) it was 46,000,000 lbs. I believe if the duty were reduced from 2s. 2½d. to 1s. 6d., the consumption would be at least 60,000,000 lbs. I take it for granted that every pound extra consumed of tea would cause a consumption of 4 lbs. of sugar. This is the grocer's calculation for families who are in the habit of allowing two ounces of tea to eight ounces of sugar to each servant per week. * * I believe it would give employment to 20,000 work-people extra, and to at least 50 vessels extra of 400 tons each."

Mr. Gardner subsequently suggests that there should be a further reduction of the tea duty, at the rate of threepence per year, until it reaches sixpence per lb. He thinks the quantity used would be so much greater than it now is that there would be no deficiency in the revenue ; but he reckons the duty on sugar in his estimate, which is to be viewed not as likely to yield a certain revenue, increasing with the consump-

tion of tea, but, rather, as a certain hindrance to the use of tea. It has been proved, by evidence not to be questioned, that many of the working population, especially in factories, drink their tea without sugar. Cheaper tea would induce them to use it more freely than at present, but sugar taxed as now would only confirm them in the rejection of it; consequently, the *abolition*, rather than the *reduction*, of the tea and sugar duties becomes one question. This can only be effected by the substitution of direct taxation.

Nor would the continuance of the sugar and part of the tea duty admit of that large addition to the employment of shipping which would immediately follow their repeal. Nor would the coast-guard and custom-house system be less expensive to the public, vexatious to the importer, and demoralizing to the servants of commerce than they are now. While the existence of the present revenue system is found to be a sufficient reason, even with legislators favourable to the entire abrogation of the navigation laws, for retaining the restrictions upon the coasting trade; because they say, the presence of foreign vessels coasting on the British shores, though only to deliver cargoes carried from foreign countries, if out of the usual homeward-bound tracks, would afford a cover for smuggling which the revenue cruisers could not detect. Whatever truth there is in this supposition, it is argument against indirect taxation and the revenue system. We have that commerce which is so deeply interested in the freedom and augmentation of shipping crippled upon both sides, and shipping itself restricted to a limited trade under the name of being protected. Sugar, tea, coffee, and other taxed articles would spread fleets upon the ocean which do not yet exist, if those taxed articles were admitted free of duty. To ease commerce from the bondage of the navigation laws, an effort is made to repeal them; but the revenue system is declared to be incompatible with free navigation on the coasts, and the tax on sugar, tea, coffee, tobacco, wine, &c., demands the continuance of the revenue system.

In another part of Mr. Gardner's evidence he is asked :—

“Have you observed the effect upon the consumption of the working classes of a reduction of duty upon tea?”

And answers :—

“I believe it would be very great. I come a good deal into contact with the working classes, who have manifested greater anxiety for tea to be cheaper than they have done either about corn or sugar, or anything else. Most factory hands have a great taste for it. I have seen them take it without either milk or sugar. It has come into such universal use because it requires no management in the cooking; it only requires boiling water, which they can always obtain in a mill.

“It has been said that the consumption of tea leads to a consumption of spirits. Do you believe that to be the case?”

“I believe the very reverse. If it please God we have a better trade—that is, more work and better wages—I think it very probable that the consumption of tea would be double in two years, if sold at a lower price.”

He then reverts to the losses upon the tea imported, through the uncertainty of commercial exchanges, or barter in China, and says, “I am of opinion that if all the tea at present in this country were sold at the very highest currency of this day, it would leave to the importer a clear loss of 6d. per pound.”

Mr. Walter Buchanan, partner in a house in Glasgow, trading for many years to Singapore, and in the practice of making remittances to China, stated that tea is always the principal means of remittance from China, and that heavy losses had been incurred. He said, “I consider, as far as China is concerned, *that the limit of our trade with China must be the extent to which we can consume tea and other Chinese produce.*” And he added that the taste for tea was, in Scotland, on the increase.

Mr. Farbridge, of Manchester, largely engaged in the trade with China, stated :—

“I do not believe there is any possibility of a farther exportation of our manufactures to China without an alteration in the system of the duties; and I fear there are no means of sending out our manufactures cheaper.

Q. “The amount to be taken by the Chinese is limited by their power of paying?”

A. “Yes; it has got to a barter trade almost entirely.”

Mr. Turner, deputy-chairman of the East India and China Association of Liverpool, stated that his knowledge of the trade was principally as regarded the export of British manufactures to China; the present position of the trade he considered to be

very unsatisfactory. Goods are principally sold for barter; if you sell goods for cash, he said, you sell them at a very inferior price. The barter makes it a very lengthy trade. It is probably twelve or fifteen months before the returns are got home; and it is six or eight or twelve months more before those returns are realized.

Q. "Are there any other impediments to the trade besides those you have mentioned?"

A. "I consider that if the duty on tea were reduced, the trade would become a much more extensive one as regards the export of manufactured goods, and a more satisfactory one. I think the probability is, that if we took a much greater quantity of tea from the Chinese, as we should do under a diminished duty, the consequence would be that they would take from us a much larger quantity of goods. Our friends in China, who are well acquainted with manufactured goods, spoke of English goods as being liked by the Chinese, and that there was no doubt they would take a very large quantity of our manufactures."

Almost every mercantile witness gives similar testimony; but the scientific witnesses as to the deterioration of the teas through the duty are hardly less important. We shall present an epitome of what the chemists said in another section.

SECTION IX.

THE TEA DUTY FURTHER EXEMPLIFIED.—IT DETERIORATES THE QUALITY OF TEA.

It is almost unnecessary to cite the testimony of the professors of medicine in favour of tea as an article of diet or refreshment; the experience of society has decided that question. Dr. Sigmond, examined by the Committee of 1847, said—"I think it is the very best fluid that can be taken." And—"I think it is of great importance in the prevention of skin diseases in comparison with any fluid we have been in the habit of drinking in former years, and also in removing glandular affections. I think scrofula has very much diminished in this country since tea has been so largely used. For those classes of society who are not of labouring habits, but who are of sedentary habits, and exercise the mind a good deal, tea is of great importance. I decidedly consider that a considerable increase in the importations of tea would be favourable to the healthy condition of the people."

Proof upon proof from medical men might be adduced, but as none deny the beneficial effects of good tea, the Association need not occupy space at any length with this part of their subject.

But the tea must be good; not a spurious article compounded of British leaves, which, paying no duty, are mingled with tea, and sold, as if the enormous duty on tea—300 per cent., had been paid on them. Nor must the tea that shall promote health be the compound of a damaged article which the exigencies of the trade, through indirect taxation, bring into the market. Nor must it be a compound of spent leaves, collected with industry and fraudulent intent, from those who can afford the good article, to be re-dried and mingled with the low-priced tea of those who cannot afford to buy the tea of high price.

Dr. Sigmond says—

"Some years ago Professor Gilbert Burnett and myself were requested by the Court of Exchequer to examine certain leaves, sloe and other leaves, which, it appeared, had been collected for the purpose of adulterating tea, and we found that it was carried on to a very considerable extent."

Q. "Do you find prussic acid both in green and in black tea?"

A. "I am not aware that it has been found in black tea. It has existed when the tea has been rendered green by Prussian blue. I believe Mr. Davis, in 1832, had an opportunity of witnessing the formation of green tea out of black. I think he found that the old leaves were coloured first of all with turmeric, and afterwards Prussian blue was added to give the colour of green to it."

This refers to a process of fraud in China, which, at first sight, seems to be beyond the control of British mercantile influence. Yet it is not wholly so. A closer intercourse with the Chinese, which alone can be obtained through extended supplies of

British goods to, and demand for Chinese produce from them, which again can only be obtained by a free and *certain*, instead of an enormously taxed and most hazardous trade, would give the British merchants an influence in the markets of China which they have not yet possessed.

At present the quantities of tea taken are so limited, compared with what could be supplied, and compared with the native trade which supplies tea to three hundred millions of customers, that the teas sent to the sea coast for the British merchants are but an unimportant fraction of the whole produce. The stock for the buyer to choose from is limited. He cannot buy until he sells the consignment of calicoes, or woollens, or cutlery; and his limited purchase (because of the highly taxed and limited consumption at home) is that which the Chinese merchant chooses to give, rather than what his judgment would take. View it on whatever side we may, the tea duty is suicidal to our commerce.

But it is not alone in China that black tea is made into green.

Q. "Are you aware that in this country there is a process for turning black tea into green?"

A. "I have no doubt of it.

Q. "Do you find prussic acid to exist in tea so altered?"

A. "I dare say if it were analyzed it would be found to be so; but I speak merely of Prussian blue.

Q. "You do not believe that prussic acid is an ingredient in the green tea plant, but only in the manufacture?"

A. "No, an adulteration.

Q. "It does not extend to all green tea, but only to adulterated green tea?"

A. "Yes.

Q. "Gypsum is used also, is it not?"

A. "That is added to produce a chemical effect, to induce the leaf to imbibe the colouring matter.

Q. "You have spoken of green tea as being depressing to the nervous system. Is that the result of your experience?"

A. "Yes; but I should state that we know so little of real green tea in this country that it is difficult to say what its effect is. *I do not think that which we get is real green tea, in a great number of instances.*

Q. "Your impression is, generally, that tea is a highly healthful drink?"

A. "It is so; the most useful drink with which we are acquainted.

Q. "Which do you think is the greater stimulant, tea or coffee?"

A. "Coffee.

Q. "To the labouring man, who exerts himself from morning to night, the greater stimulant would be coffee?"

A. "Yes; but it is the nutritive quality, often, which I would look to, and not the stimulant.

Q. "As far as regards the nutritive quality, which would you say is the most nutritive, tea or coffee?"

A. "Tea. It prepares the system more for the nutrition to be derived from other substances, both animal and vegetable."

But this must depend on its quality. Leaves already spent in the teapot, and re-dried, will not add to nutriment. The duty of 2s. 2½d. per pound weight gives a premium to fraud which, it seems, cannot be resisted.

Mr. Edward Brodribb, tea broker, Liverpool, through whose house five million pounds weight of tea had passed in one year, stated on this branch of the subject—

"It is my belief that there are large classes of people now who would use tea, but who do not use it on account of the high price. There are a number of people who are very glad to get spent leaves from families, or the tastings from our office, who, if they could afford to purchase tea, would be very glad to do it. I believe there is an immense quantity of tea leaves that have been used re-dried and broken up, and mixed with tea to make weight for the purpose of reducing the price. The duty is so enormous that every means that can be used to reduce the cost-price is resorted to, and, therefore, the high duty does, to a certain extent, neutralize its own object."

Q. "It operates disadvantageously on the revenue?"

A. "It operates very disadvantageously in rendering the quality of the tea inferior; so much so as to prevent persons from drinking tea who would otherwise drink it if the quality were good. I quite agree in the evidence which Mr. Robberds gave to that effect, that consumers of tea, on account of its bad quality, will give up its use, as they did at Norwich; and that, on the introduction of a good quality again, they will resume it. There is an immense mass of damaged tea which is sold at merely nominal prices, varying from a farthing a pound up to 3d. or 4d.; all of that is purchased with the view of the retail dealers getting it for merely the duty, and using it up to reduce the cost price, by which means they deteriorate the quality so much as to have a very serious effect upon the consumption of it."

And again, Mr. Brodribb says:—

"I cannot form an estimate of the extent to which the adulteration of tea is practised, but it is very considerable."

And again:—

"There is a great deal of black tea that is coloured green in China, but its value is not thereby increased. There is a great deal of black tea coloured in this country; there is a great deal of tea made up in small round leaves to represent gunpowder, coloured with magnesia."

Q. "Is that a Chinese process?"

A. "No; it is an English process; it is coloured with magnesia; turning tea, the market value of which is 1s. 6d., into tea, which, according to the appearance of it, would be worth 3s. 6d. or 3s. 8d. A broker was shown, to my knowledge, a sample of tea last year coloured in that way, and he valued it at a price from 1s. 2d. to 1s. 4d. beyond what the tea itself cost, merely in consequence of its having been subjected to that process."

"With regard to green teas," said Mr. Brodribb, "I believe the effect of the present high duty is to deprive us of some of the best green teas that are grown in China. The consumption of America consists principally of green tea; it being admitted into that country *duty free*, they can afford to give prices for it in China which our importers cannot afford to give for it when 2s. 2d. has to be added to the price; and the duty, consequently, deprives this country of the best kind of green tea which is produced in China."

Mr. Robberds, extensively engaged in the manufacture of camlets at Norwich, which he ships to China, importing teas to London in return, stated, after a historical retrospect of the trade, that the exportation of camlets to China was only limited by the quantity of tea which could be taken in return, and that the tea was limited by the excessive duty, and then proceeded to say:—

"Another point which strikes me as of great importance is this—that the high duty holds out a great inducement to adulteration. The complaints in our part of the country of the badness of the tea which is generally offered there for sale are universal, and within the circle of my acquaintance I know of many individuals who left off the use of tea because it was so bad that they found it actually injurious to their health. A person who had been largely engaged in the trade as a chemist and druggist, and was retired from business, told me that after he had made his decoctions of senna, a grocer used to purchase his senna leaves of him to mix with his teas. That is one fact that has come within my own knowledge."

Q. "You believe that if there was a cheaper and more abundant supply of teas from China, there would be less adulteration, and a great many more consumers of the article?"

A. "Yes."

On the adulteration of tea it will be unnecessary to say more, though evidence in proof of its extensive practice might be adduced at much greater length. Another branch of the tea question presents itself.

SECTION X.

THE TEA DUTY, IN RELATION TO THE SOCIAL COMFORT AND MORALS OF THE WORKING CLASSES.

Mr. LAW, extensively engaged in the tea and coffee retail trade in Edinburgh, expressed himself to the Parliamentary committee of 1847 thus:—

“When I find a poor man and his wife consuming at the rate of six pounds of tea per head per annum, I infer that there must be millions of people in the country that never taste tea, because the consumption of the whole country is about 1 lb. 10 oz. per head per annum. According to my experience, I find that very ordinary people—a joiner, for example, with just his wife—never purchase less than a quarter of a pound of tea per week, which gives six pounds of tea per head per annum, and they frequently (once a month) take a quarter of a pound of coffee in addition.”

The effect of this evidence is to lead to the belief that there are several millions of persons below the condition of a working joiner; and that elevated to his condition by increased wages, or placed on his level by the abolition of the customs duties, they would cause a consumption of tea, coffee, and sugar, from three to four times greater than that now consumed; employing shipping, capital, mercantile agencies, carriage, retail dealing, and other labour in the same proportion.

Mr. Law believes that good tea is used by the poorer classes in preference to tea low priced and bad in quality.

“In the course of my experience as a tea dealer,” he says, “I know the quality of teas generally consumed by the working classes to be the middling and better kinds, at the cost of from 4s. to 5s. and upwards.”

As a reason for believing that the poorer of the working classes would consume a much larger quantity of tea than they now do, were it sold at a low price, as it would be without duty, Mr. Law says:—

“If a man’s wages are good, he will consume beef, and butter, and cheese; he lives upon more generous food, and takes rather less tea (comparatively); but if he is either in very uncertain employment or has less wages, the family will take two or three meals in a day, and patch up a dinner perhaps with a herring and a cup of tea.”

Mr. Thomas White, a tea and sugar broker at Hull, formerly a wholesale and retail grocer, states that—

“It is decidedly my impression that the great mass of the people would use a great deal more tea if they could get it. When in the retail trade I have witnessed mechanics, &c., on a Saturday night, laying out a portion of their earnings in tea, say two ounces; and after making their other marketing, if any money were left, they would come back and spend the last farthing in an ounce or half an ounce of more tea, just as they could afford it.”

Mr. White handed in a table of prices and quantities of tea consumed, showing that whenever the duty had been lowered the consumption increased. Other tea merchants and brokers gave in similar statements. Mr. White, referring to his table, said:—

“I see that Great Britain, in 1801, consumed at the rate of 11b. 13½oz. per head per annum, which was reduced by the high prices” (arising from limited supply), “during the East India Company’s monopoly, to 11b. 1oz., since which the prices of tea have been lowered, and it is now about 11b 10oz. per head per annum. If the duty was still lower I think the consumption would be greatly increased, inasmuch as there is a class of people, to my knowledge, that never use any tea at all—that is the farm servants. I was born and brought up amongst farmers. It is difficult to ascertain the quality, but the quantity of tea used in a farm-house, which is merely used by the master and mistress and children, will be about a quarter of a pound per week for the whole family, which family might, perhaps, consist of about five or six.”

Relative to the married agricultural labourers in different parts of England, the evidence taken by the Assistant Poor-Law Commissioners, in 1843, on “The Employment of Women and Children in Agriculture,” and published by Parliament, affords information on the consumption of tea, sugar, and coffee, which shows that cheapness and goodness would lead to a great increase of consumption among those classes of the population. In the counties of Dorset, Devon, Somerset, and Wilts, which were

selected as fair specimens of the south-west, where wages are on the lowest scale, it was found that the purchase of tea or coffee seldom exceeded the amount of twopence or twopence-halfpenny per week for a family, being half an ounce of tea for the Sunday morning's breakfast. But it was also found that almost every labourer's wife endeavoured to obtain that half ounce of tea, so that the price of the tea, and not the want of taste for it, limited the purchase to half an ounce.

In the counties of Surrey, Sussex, and Kent, which were selected as specimens of counties in which wages were not upon the lowest scale, the use of tea seems to have been the same, half an ounce for the Sunday, except in the hop-picking season, when an increase of employment and higher wages increased the consumption of tea, coffee, and sugar.

Of the purely-agricultural counties in the east and north—Suffolk, Norfolk, Lincoln, York (East and North Riding), and Northumberland—the only variation above the half-ounce of tea per family was in Yorkshire and adjoining district of Lincolnshire, where wages were somewhat higher than in the other counties, thus showing, that even among the labourers in agriculture, as soon as income and price approximated, the desire for the refreshing virtues of tea urged the tired labourer to the grocer's shop.

Mr. Nicol, Chairman of the East India and China Association of Liverpool, stated that, in regard to the consumption of tea among particular classes of persons, he had made inquiry, and was informed of what his own experience confirmed, that "the class of domestic servants who have an economical supply of tea afforded them, use about seven pounds a year per head.

Q. "You mean when supplied by the master?"

A. "Yes. I mean when economically supplied, and when, if they exceeded it, it would be noticed immediately.

Q. "Is it not customary to allow two guineas a year to servants to find their own tea and sugar?"

A. "Yes.

Q. "Do you happen to know the consumption of sugar allowed to domestic servants?"

A. "I think the usual calculation is about four or five lbs. of sugar to one lb. of tea."

From the knowledge we have of the agricultural workers, it appears that their consumption of tea averages about 2s. per head; adding sugar and coffee, their consumption is about 3s. a head, which is about a *thirtieth* part of what is allowed to be a fair use of tea, coffee, and sugar, when purchased by persons who can afford all they wish for, or allowed to persons who consume according to their taste, without wastefulness. Deducting the younger children, who make up the numerical average, yet would not, under any circumstances, increase the family use of tea, the consumption may be fairly estimated as likely to be *fifteen* times greater among the agricultural and the poorer of the other working classes, if the price be brought down to their level; and to bring the price of any article of general use near to the level of the working man, is to elevate the working man to meet the price of the article. Six millions of persons, consuming at the rate of 3s. per head, now represent the sum of £900,000. Allowing half of them to consume nothing more, and allowing the other half to consume tea, coffee, and sugar, as domestic servants do, or as the artisan classes of Edinburgh—deposed to by Mr. Law—do, the sum representing the tea, coffee, and sugar of the agricultural workers, would be £13,500,000. This estimate does not include the tenant-farmers of England and Scotland, nor the population of Ireland of any class. Nor does it include the working classes of England and Scotland who are not labourers in agriculture.

It is among the industrious classes who are *not* labourers in agriculture that the greatest increase in consumption in tea, coffee, and sugar would take place under a system of absolute free trade—the customs' duties being abolished.

A lady, resident at Nottingham, communicated with the Committee, through Mr. Thomas Beggs, Secretary to the National Temperance Society, relative to the working people of that town. She said:—

"One respectable man, who has had to bring up a large family, assured me that

their plan was to keep the leaves in the teapot till the end of the week, adding a little fresh tea every time it was used; and the poor wife said there have been times when she has at last put in a little soda, only to draw out the remaining essence that might be left in the oft-washed refuse."

This lady adds:—

"Surely no one can doubt that cheap tea would be a great advantage to the poor, and that the working man, after his day's labour, has a right to a comfortable cup of tea, fresh and good. I am sure the prevailing feeling is, 'Let all taxes upon the necessary food of the working classes be forthwith abolished;' to which I heartily subscribe."

Mr. Beggs spoke to the obstacles opposed by the excessive tea duty to the progress of temperance.

Q. "Do you know at all what the consumption of a poor family is in tea?"

A. "It varies very much. I have known them use about one ounce a week. I have known instances in Nottingham of stocking-makers, who never taste animal food but once a week, who will consume about three ounces of tea per week, that is per family. At this present moment, I believe, my wife is supplying some poor woman in the neighbourhood with the tea-leaves that we have done with."

Mr. Thomas Bazley, President of the Chamber of Commerce, at Manchester, and employer of a large number of workpeople, stated, both in regard of benefit to manufacturers, and to the social condition of the people, that—

"A reduction in the duty on tea, and the consequent reduction in the price, would lead to a very largely-increased consumption of tea, and would also probably lead to a very great extension of the export of manufactures to pay for that increased import of tea. I can also state, being an employer of workpeople, that a reduction in the price of tea would be exceedingly beneficial to them, and that it would have an improving effect on the morals of the people, while at the same time it would increase their comforts.

"I have observed that the workpeople I have had under my eyes, with cheaper tea, have used larger quantities. About fifteen years ago it was the custom of a large portion of our workpeople to consume the herb teas of this country; but as tea imported from China became cheaper, the disuse of fragrant herbs was very apparent, and the increased consumption of China tea equally apparent. I can state, also, that there has been an increase of temperance; that the people are much more sober since tea has been cheaper. It has been exceeding beneficial to their social condition.

Q. "What is the price that your workpeople generally pay for tea?"

A. "One portion of our workpeople have a co-operative shop, being situated in the country, where workpeople are generally the prey of two unfortunate systems. In some cases the truck system prevails, and in others the country shopkeepers, not having adequate capital to provide an adequate supply of cheap tea in the first instance, the workpeople are obliged to pay a very high price for the necessaries of life. But in our establishment in the country our people have a co-operative shop, and are enabled to supply themselves with very good tea at about 3s. 6d. to 3s. 8d. per pound.

Q. "Do you know what the consumption of the workpeople is per head, or per family?"

A. "I cannot state in detail; but I can state that, even at the present price of tea, they do not use so large a quantity as they are inclined to do. First, the parents use the teapot, and afterwards water is added, and the children and younger members of the family get a very weak and very inferior quality of beverage. The price of this tea, in bond (before paying the duty), is from 9d. to 10d. a pound.

Q. "Can you form any estimate of the consumption per head of the working classes?"

A. "The common calculation of about two ounces per week, I should think, is very much in excess of what the working classes consume; domestic servants, I believe, frequently have that quantity allowed them; but I should say the working classes do not consume one quarter of that."

And again Mr. Bazley says:—

"A very large quantity of tea is drunk without sugar, also without milk or cream."

Q. "Do not you think that the cheaper price of sugar will create a very increased consumption?"

A. "I have no question of it."

Mr. George Wilson, who had great experience among the poorer classes of the metropolis, as a tea dealer, stated:—

"During twenty-eight years that I have conducted a large trade in Westminster, I have found that the consumption of tea has varied with the price; in proportion as the price has decreased the consumption has increased; and it appears to me that the working classes consume a much larger quantity of tea, in proportion to their means, than the higher classes. It is looked upon by the poor people as a necessary of life."

Also, Mr. Wilson says:—

"I think the labouring classes consume nearly as much tea, each man's family, as the rich. A policeman, whose income is 20s. a week, his wife will buy a quarter of a pound of tea per week, which will cost one-twentieth part of their income. * * * I am a guardian of the poor; we considered the case of the aged poor in the workhouse who applied for tea, and it was determined to give to all above the age of 60, who behaved themselves well, a quantity of tea. We now give them two ounces per week each, and have done for a number of years, and we find that if we were to withhold that it would be considered the severest deprivation. *If you take the consumption of tea by a poor woman in the workhouse, a single individual at two ounces per week, you will find that the quantity consumed in the country is very much less than that upon the average of the population.*"

The difference is between 1 lb. 10 oz. the average to each person in the kingdom, and 6 lb. 8 oz. the allowance to the aged inmates of the Westminster Workhouse. Taking the present consumption of the kingdom at *forty-six million pounds*, a change of price which would give two ounces per week to each of the population, as at Westminster Workhouse, would increase the national consumption to *a hundred and ninety-five million of pounds*.

In the *Financial Reform Tract, No. 3*, an illustration of the tea duty was given which can well bear repetition here, namely:—

"It is within the knowledge of parties in Liverpool, that in January last a purchase of tea was made in that market for a poor law union in Ireland, the gross invoice amount of which was £236 12s. 9d., *out of which no less a sum than £208 5s. 11d. was paid for duty!* and in March last a farther purchase was made for a similar purpose, amounting to £265 4s., *out of which £238 was paid to the Government in the shape of tax!*"

In concluding the extracts of evidence, which show how the tea duty distresses the poor and opposes moral reformation, we shall take one, only one, out of the many instances which might be gathered from Mr. Austin's report on the employment of women and children in agriculture. An industrious woman, a field-worker, named Mary Britton, of Calne, Wiltshire, is speaking. Her purchase of tea is one ounce per week, and half a pound of sugar.

"Formerly my husband was in the habit of drinking, and everything went bad. He used to beat me. I have often gone to bed, I and my children, without supper, and have had no breakfast the next morning, and frequently no firing. My husband attended a lecture on teetotalism one evening, about two years ago, and I have reason to bless that evening. My husband has never touched a drop of drink since. I have been much more comfortable, and the children happier. He works better than he did. He can mow better, and that is hard work, and he does not mind being laughed at by the other men for not drinking. My eldest boy goes to Sunday-school; the younger ones to day-school. My husband now goes to church; formerly he could hardly be got to go there. *I like my husband to have a bit of meat and a comfortable breakfast on Sunday now he has left off drinking.*"

And for this righteous end a struggle was made, between 8s. of wages and the unrighteous tea tax, to buy one ounce of tea per week, being double the quantity purchased by any of her neighbours.

THE LIVERPOOL FINANCIAL REFORM ASSOCIATION.

The *Objects* of this Association are, to procure the most rigid economy in the Public Expenditure consistent with good and efficient government; and to change the present system of Taxation, by the substitution of *Direct* for *Indirect* Taxes. The reasons may be found in the Tracts.

Subscribers of 10s., or upwards, per annum, are entitled to all the Society's publications for the current year, postage free.

Post-office Orders to be made payable to EDWARD BRODRIBB, Esq., North John-street, Liverpool.

Subscriptions are also received at the Commercial Bank of London, Lothbury, and 6, Henrietta-street, Covent-garden; also by Mr. EFFINGHAM WILSON, Royal Exchange; Mr. CASSELL, 335, Strand, and 80, Fenchurch-street, London.

The Tracts may be had at the Office, 26, North John-street, Liverpool, and from SMITH, ROGERSON, and Co., Lord-street; and sold by all the Booksellers. LONDON: The Trade supplied at the Office of the *Standard of Freedom*, 335, Strand; and by SIMPKIN, MARSHALL, and Co., Stationers' Hall-court; GEORGE VICKERS, Holywell-street, Strand; EFFINGHAM WILSON, Royal Exchange; H. BINKS, 85, Aldersgate-street; CHARLES GILPIN, 5, Bishopsgate-street; JAMES GILBERT, Paternoster-row. DUBLIN: by GILPIN, Dame-street. MANCHESTER: ABEL HEYWOOD. EDINBURGH: J. MENZIES, Prince's-street.

FINANCIAL REFORM TRACTS.

No. 18.

ESTIMATES FOR CIVIL SERVICES FOR 1849-50.

THE labours of the Financial Reform Association, and of other Reformers, have produced a show of retrenchment in the Government. Besides the 3,000 sailors and 10,000 soldiers ostensibly dismissed, making a reduction of £300,000 out of an expenditure of upwards of £18,000,000, we have, in this department of the Civil Services, a decrease, out of nearly four millions of money, of £20,500 as compared with 1848. This *looks* at least like retrenchment, and the appearance is undoubtedly owing to the loud demands for Financial Reform which have assailed the Government from all quarters. But, unfortunately, it is a mere show—a trivial deduction from the current expenditure of the year—meant to break the force of public requisition, and, no doubt, on the first opportunity, to be still extracted from the people. There is no heartiness in the work of retrenchment by the Government, and the mere clippings of the mighty mass of expenditure must be looked on with a proper suspicion by the public, and the demand for real, extensive, and necessary retrenchments kept up. While Government has been pretending to reduce the army and navy by the dismissal of a few common soldiers and sailors, keeping up, at the same time, nearly intact, the enormous mass of officers, scores of them only occupying nominal commissions, and those held in prodigal plurality by individuals, they have been annexing the vast territory of the Punjab in India, and an immense tract of desert in Caffraria, both of which will have to be defended and maintained by soldiery, without producing a shilling of real profit to us, but as certainly involving an augmentation instead of diminution of our army. An augmentation of the Indian army, we are assured by the *Calcutta Englishman*, is the great topic of military conversation in India, and, from the annexation of the Punjab, inevitable; and though it may be said that the East India Company must pay the immediate charges of this augmentation, we want to know who is likely to pay the rapidly-increasing debt of the Company? and we know, too, from experience, that all such causes furnish our home Government with ready excuses for extended forces at home.

Such is the prospect as it regards the general national expenditure; and, as it regards that portion of it more immediately under our present notice, viz., the Estimates for Civil Services, we find that the decrease of £20,500, as compared with the estimates of 1848, is at once explained by the incidental charge of that sum for Medals for the Army and Navy falling in 1848, and, of course, not repeated in 1849.

We do not give medals to the army and navy every year, or our present estimates would have presented precisely the same amount as they did last year; while, turning to 1847, we find that, even with this relief to the present accounts, the estimates for his year exceed those of 1847 by £5,192. Striking out, then, the incidental and rare item of medals, the estimates for 1849 actually still exceed those of 1848 by the same sum of £5,192. This surely is no retrenchment, nor likely to satisfy a nation of men of business, which recollects that it is in debt eight hundred millions.

We are accustomed to deal with such enormous sums in our national accounts, that the amount of the Civil Estimates hardly strikes us. An item of £3,925,000 appears an insignificant sum in the general sheet presented by Ministers for the acceptance of Parliament, which holds a total of £54,000,000. But the true way to look at this item of our expenditure is to go back a few years, and see what was the amount then. Here, at once, the real state of the case becomes apparent, and we perceive with astonishment that, small as the sum appears beside the giant figures of our War Debt and War Taxes, it is still more than three times as much as it ought to be. We perceive that the same cunningly-disposed but steady advance of expenditure has been made in this, as in all other departments of our affairs, since the Whigs got into power under pledges of retrenchment. In 1832 they carried the Reform Bill entirely on the pleas of reform and retrenchment. In 1835 the total expenditure of the nation was £44,422,000; in 1836 it was £46,572,562. In 1846 it had, instead of diminishing through all these years of peace, steadily increased to £50,943,830; in 1847, to £65,175,000, including the grant to Ireland; in 1848, to £54,596,000; or as Mr. Cobden, in his proposed budget, stated, it had increased 50 per cent. as the fruit of the Reform Bill.

Precisely the same growth has attended the estimates for the Civil Services. In 1834, the amount of these was £1,845,312. By a steady advance from year to year, in 1839 it was £2,862,469; in 1844 was £3,091,968; in 1849 it is £3,925,731!

Had there not been a public outcry in February, 1848, this sum would have been grossly augmented; for the Chancellor produced the estimate at £4,181,231; but, owing to the stern rebuke he then received on his proposal to augment the Income-tax, he threw off £235,000, leaving the estimates for last year £3,946,321. Still, notwithstanding this salutary check, the advance has been, in 15 years, more than cent per cent.

Now, that which was sufficient to discharge, honourably and well, the demands for the Civil Services of these kingdoms in 1834, two years after the Reform Bill, surely ought to be ample for these purposes at present. If £1,845,000 were ample then, it must, in reality, be ample now: and we must regard the increase of £2,080,000 as so much expended merely in government patronage: so much totally unnecessary to the real business of the country, and which ought to be struck off. We really do not see what possible plea can be set up against such reduction. In fact, under a ministry coming into power on the very ground of economy, we had a right to expect that the scale of 1835 should be reduced; and we are quite certain that the estimates were capable of it. But that, instead of such reduction, an increase of £2,080,000 should have been made, is not simply indefensible, but deserving of the severest reprehension.

The only pleas put forth by Ministers in palliation, are the sums granted for Education and the Board of Health. These amount to:—

Public Education, Great Britain	£125,000
Public Education, Ireland	120,000
Schools of Design	10,000
Board of Health	14,652
Board of Health (Ireland)	2,447
Metropolitan Sanitary Commission	1,000

£273,099

Granting the Ministry, therefore, the full benefit of this plea, the Miscellaneous Expenses of 1849 are in excess of those of 1834 no less than £1,807,320, which, on the most obvious and sequential grounds, they should be called on to remove.

The Association now proceeds to make a *seriatim* inspection of the different classes into which these expenses are divided. They are :—

1. Public Works and Buildings	£461,905
2. Salaries and Expenses of Public Departments	1,083,231
3. Law and Justice	1,196,814
4. Education, Science, and Art	386,189
5. Colonial, Consular, and other Foreign Services	421,703
6. Superannuations and Retired Allowances	200,652
7. Miscellaneous Special and Temporary Objects	75,237
Besides these, there is a vote for Civil Contingencies	100,000
	<hr/>
	£3,925,731

1. PUBLIC WORKS AND BUILDINGS.

In No. 14 of its Tracts, the Financial Reform Association observed that it would not advocate any retrenchment which may, by any possibility, encroach upon her Majesty's comfort or convenience, but it was compelled to assert its strong conviction that a most needless number of buildings are maintained as palaces, more than actually are, or can be, used by the Queen.

Keeping in view this desire to avoid any curtailment of her Majesty's real comfort and dignity, the Association can but repeat its opinion. Without even advocating the destruction or sale of any palaces, which, though deserted by royalty, may yet be capable of being converted to useful purposes as public offices, or buildings devoted to art, science, or the recreation of the people, there can be no question but that the enormous expenses connected with the alterations and repairs of these palaces arise, in a great measure, from jobbing amongst interested parties. The Sanitary Commission found that the old Commissioners of Sewers in Westminster had laid down, in ten years, 118 miles of sewers, at a cost of a quarter of a million more than sewers of the very best construction would require, and yet so miserably constructed that they will all want doing afresh. They had done this in opposition to the advice of their own surveyors, under the influence of builders, solicitors, and the like, who were in the commission. There is no doubt but that the same interests and influences swell up our annual bills for palace repairs to a most important extent.

For nine years, ending 1846, the annual charges for the repairs, &c., of the royal palaces alone, averaged about £42,000; but, during these three last years, the average has been more than doubled, owing to the great outlay on Buckingham Palace. This year, the amount voted for palaces is £42,595. But to this has to be added the £14,000 for the enlargement of Buckingham Palace, making a total of £56,595; last year, £30,000; and, in 1847, no less than £50,000 extra being spent on this one building.

It may be as well to present the particulars of the outlay of this year on these palaces, in order to make our comments intelligible.

PALACES IN THE OCCUPATION OF HER MAJESTY.

Buckingham Palace	£750
Royal Mews, Pimlico	1,050
Windsor Castle, with Stables, Lower Lodge, Tomb-house, &c.	6,550
Ditto for increased supply of water for general cleansing of drains, and especially for further protection of the Castle from fire	10,000
Windsor Home Park, with Adelaide Lodge, &c.	760
Royal Kitchen Gardens, Frogmore, including the expenses of two vineries to be constructed in lieu of others at Hampton Court about to be discontinued, with future expense of maintenance	2,960
	<hr/>
Total for Palaces in the occupation of her Majesty	£22,070

St. James's Palace, for internal and external repairs to the State-rooms, the Chapels Royal, and the offices and apartments occupied by the Royal Household	£1,392
Furniture for ditto	1,030
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Total for Palaces partly in the occupation of her Majesty	£2,422
Palaces not in the occupation of her Majesty :—	
St. James's Palace, for internal and external repairs of Clarence-house, &c.	£819
Carlton stables, external repairs	100
Marlborough-house, external repairs	250
Kensington Palace, stables, &c.	890
Kensington Gardens	150
Hampton-court Palace, stables, &c.	6,715
Hampton-court Gardens, &c.	1,325
Hampton-court Stud-house, &c.	450
Kew Botanic Gardens	2,301
Kew Palace, and buildings on Kew Green, occupied by grace and favour of her Majesty	2,360
Windsor Castle.—Military Knights'-house, &c.	1,296
Frogmore-house	640
Royal Pavilion, Brighton, maintenance till sold	200
Furniture, &c.—For the repairs and cleansing of furniture and fittings at Kensington, Kew, and Hampton-court Palaces	607
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Total for Palaces not occupied by her Majesty	£18,103
Grant for Buckingham Palace	14,200
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Total for Palaces	£56,795

It is clear from this statement, that the average this year might have been considerably less, if the surveyors had not suddenly discovered that Windsor Castle, which has stood since the time of the Conqueror, was suddenly very much exposed to the danger of fire, and therefore to guard against this peril, and also scour out the sewers, £10,000 was at once voted, which, with £6,550 for repairs, and £750 for repairs of lodges, &c., makes up a total outlay on Windsor in one year of £17,000. That Windsor should demand such annual outlay, when it is known that some millions were expended upon it in the reign of George IV., is incredible, and is the more to be complained of, as Buckingham Palace, within the last three years, has cost £100,000, and £50,000 more, according to the estimate, are required.

But still more reprehensible are the sums expended on the palaces appropriated to other branches of Royalty, and even nobility and their dependents. Having given most magnificent incomes to all individuals of the Royal Family, who discharge no useful functions for the common weal, and provided them with houses, gardens, and pleasure-grounds, it is surely the least they can do to maintain them in ordinary repair. But we allow £50,000 to the King of the Belgians, with the palace and estate of Claremont, and though his Majesty has the grace not to pocket any of this money, he maintains the house and servants at the cost of about £30,000 per annum, lending the premises to his father-in-law, the ex-King of the French, and paying back the balance to the Treasury. Not so the King of Hanover. We allow this foreign King £20,000 per annum most uselessly, while we cannot find a decent place of location for the magnificent gift to the nation of the Vernon gallery; and yet we are called upon to repair this foreign potentate's house on Kew Green, and the house of the Duke of Cambridge there, to the tune of £2,360 a year. We give to the Duchess of Kent £30,000, and the use of Clarence-house and Frogmore-lodge, and yet we are this year called upon to repair Clarence-house at a cost of £890, and Frogmore, including two vineries, at £2,960—together, £3,779. These vineries were brought forward about two years ago, and the case was so glaring, that the House of Commons refused the demand. Here it is again, however, and admitted.

Then we have granted the Queen Dowager the absurdly extravagant income, for a widow lady without children, of £100,000 per annum, with Marlborough House and

lushy Park; and yet, out of this monstrous allowance, the lady cannot do a single ordinary repair, but sends a bill this year to the nation of £250.

Hampton Court, Kensington Palace, and other royal buildings, are, in a great measure, aristocratical rookeries, where numbers of titled people live rent free, as Lady Montgomery, Lady Emily Ponsonby, Sir H. Seymour, Miss Walpole, Miss Opley, &c.; and yet for these, and Carlton-stables, we pay this year no less than 10,430! This is exclusive of the gardens and parks open to the public, which otherwise would make the amount £103,467.

Ministers and ex-ministers are included among these rent-free lodgers of the nation; as Lord John Russell, Lord Aberdeen, Sir Edward Bowater, Sir George Quintin, having charming residences in Richmond Park, &c., and therefore no wonder that the practice is winked at. The Pavilion at Brighton, that costly toy of royalty, is ordered to be pulled down and the materials sold; yet it lingers on, and this year furnishes a bill for repairs of £200, in addition to upwards of £18,000 spent on it within the last ten years. In these items, we have large bills for furnishing and re-fitting. Truly this is a good-natured nation.

The palaces, however, are but a small portion of the public buildings in this country maintained by annual grants from Parliament.

The sum total for England is	.	.	.	.	.	.	£260,747
Ditto for Ireland	.	.	.	.	.	.	3,372
Ditto for Scotland	.	.	.	.	.	.	24,233
							<hr/> £288,352

It is evident that in this account there is wide room for waste and jobbing, and the only way to put an effectual check upon it is to cut down the estimates on Mr. Cobden's plan, with regard to general reduction of expenditure to the scale at most of 1834. The necessity of this measure is made manifest by every public work that we turn our eyes upon. The Houses of Parliament were estimated to cost £707,104, but they have already cost £1,510,036; and they are calculated by Mr. Osborne, the member for Middlesex, to require, before they are completed and furnished according to the present estimate, about two millions and a half.

Public works going on over the whole United Kingdom, such as are to be found in this year's estimates, namely, Holyhead Harbour, roads, &c., £45,771; harbours of refuge, £141,500, similar sums being annually expended; Caledonian Canal, £10,000, in 1847, also, £50,000 having been spent upon it; Kingstown Harbour, Ireland, £91,000, similar sums for years past having been spent upon it; can only be secured against gross jobbing and pecculation by tightening the purse-strings of the nation.

Works of real utility, and national care for the welfare of the people, such as harbours, lighthouses, &c., are deserving of every encouragement and just outlay, but they can be still better afforded by cutting down useless and fraudulent charges.

The Association is surprised to see again a vote of £10,000 for repairs of the Caledonian Canal. This canal has been unquestionably, from first to last, one of the grossest jobs which ever were carried on under the sanction of Parliament. Wonderful advantages were promised by the original speculators to the nation, in enabling vessels to make a short and easy cut instead of going round the north coast of Scotland. The original estimates of Messrs. Telford and Co. were about half-a-million; but on a fresh application being made in 1841 for £200,000 for repairs of the canal, Mr. Williams, having made inquiries on the spot, found that the original estimates had been more than doubled. £1,035,000 had been spent on this grand delusion, which was of little practical use to navigation, no vessels, except steamers, being able to sail through it, on account of the winds being intercepted by the mountains. When Mr. Williams exposed the fraud, £50,000 had already been voted, but Sir Robert Peel withdrew the grant. Notwithstanding this, the Whigs, it appears from these estimates, actually granted £50,000 in 1847 for this canal, and have now again granted £10,000. The present plea—for pleas are never wanting—is damage by floods.

2. SALARIES AND EXPENSES OF PUBLIC DEPARTMENTS.

The amount of these salaries and expenses is in the present estimates £1,083,231; in 1848, it was £1,165,537; and in 1847, £1,093,145. There is, therefore, a display of a decrease of expenditure, compared with last year, of £82,306—a rare item in ministerial accounts; and though it decreases considerably on examination, yet it is, after all, a considerable decrease, and deserves commendation as far as it goes.

In the first place, the decrease, compared with 1847, is only £9,914; so that the extravagance of 1848 is obliged to be called in to gain credit for economy in 1849. If we, then, take away £22,000 for the army and naval medals—an incidental expense of 1848—the decrease is reduced to £60,306, of which the reduction in printing and stationery makes £31,600.

PRINTING AND STATIONERY.

This reduction in the astonishing waste of the public money in government printing and stationery is a move in the right direction; and we trust that the public demand will compel a much further progress in it. The reckless extravagance in this department of expenditure is not exceeded by the wonders of waste in any other. In 1838 the amount of printing and stationery was £206,946; in 1848 it was £309,362, or upwards of £100,000 more. It had increased, during ten years, at the rate of £10,000 a year! This year it is £277,762, or £70,816 more than it was eleven years ago, notwithstanding the reduction of £31,600. It is obvious, therefore, that the shears of reduction may yet be extensively applied. We must take off £70,816 more before we have got back to the rate of 1838; and any one who has bestowed a moment's notice on the huge masses of paper hurled through the offices of Hansard and Spottiswoode, after having been stained with ink at an enormous expense to be sold eventually for waste paper, must see that there requires a thorough revision of the system of parliamentary printing and stationery. Some honest man of business should be placed at the head of this printing and stationery department capable of making good contracts at fair rates, and seeing that they are equitably fulfilled. If he had any extra benefit in the office, it should be a per centage on the decrease of the total charge. Nothing is more needed than a competent person to superintend the revision of the Blue Books previous to printing. If, instead of the present careless mode of printing all and everything that proceeds from the committees, the absolute facts were gleaned from the mountains of mere words, the public would be saved much labour and the country these accounts. There would be no such items as £750 in one account for corrections. A new and more condensed form may advantageously be adopted—the octavo; of which the recent report of the Board of Health is an excellent example, both as to digestion of the matter and size.

Some idea of the vast saving capable of being made in this item of the public accounts may be obtained from the fact stated in the Committee for Inquiry into the Miscellaneous Expenditure in 1848, "that Mr. Hansard gets 50 per cent. for doing that which Messrs. Clowes, or any respectable printer, would do for 10 per cent., and would be most anxious to do for 10 per cent."

Why is this system persisted in? Is it true, as asserted, that Mr. Hansard purchases the job of the Government, and then charges the country what he pleases?

Now, as the printing alone this year is £83,500, by adopting the only rational practice, that of employing the best printers at the ordinary rates of the trade—by having the printing done by any first-rate house at 10 per cent., the rate which the Committee declares the first houses would be most anxious to do it at, instead of giving Mr. Hansard 50 per cent.—the account would at once be reduced from £83,500 to £61,233 6s. 8d., an annual saving of £22,266 13s. 4d.!

Let it be remembered that this is on the printing alone; but there is no doubt but that the stationery is obtained on the same spendthrift principle of paying *five times* more profit than we ought; and that the reduction in printing and stationery alone may be not merely £70,000 a year, to bring it to the rate of 1838, but considerably more. A single glance at the Government warehouse for this vast chaos of stationery shows that the shears may advantageously be applied there too.

STATIONERY ESTABLISHMENT.

Comptroller	£1,000
Storekeeper	400
Twenty-six Clerks	5,095
One Examiner of Papers and two Assistants	485
One Examiner of Binding	150
Two Messengers and one Resident Porter	230
Eight Warehousemen and five Assistants	1,086
Nine Porters and one Watchman	546
Contingencies, viz.—Rent of Warehouse, Taxes, Coals, Candles, Postages, Advertisements, extra labour, hire of horses and carts	2,200
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	£11,192

We have no doubt that any publisher in the city would do this amount of warehousing at the same rate that Messrs. Clowes would do the printing, i. e., at one-fifth of the profit, or at about £3,000, effecting a saving of £8,000 per annum. We should particularly like to know what the Comptroller does for his £1,000 a year. What does he control? Certainly not the accounts, which have been swelling £10,000 a year these ten years past.

GOVERNMENT SALARIES.

The Association in Tract XIV. drew attention to the extravagant scale of these salaries. The labours of the Association, and the proposition of Mr. Cobden for the reduction of £10,000,000, produced extensive alarm in all the Government offices; and great announcements of reduction were speedily sent forth by Ministers to the public. We have the result in the estimates before us. A reduction of the salaries and expenses of the following offices is stated:—

Secretary of State's, Home Department	£3,800
Secretary of State's, Foreign ditto	6,000
Secretary of State's, Colonial ditto	60!
Treasury	3,600
	<hr/>
	£13,460

But unfortunately there have been increased expenses in the—

Two Houses of Parliament	£1,650
Privy Council Office	3,200
Poor-law Commissioners' ditto	4,000
Exchequer	20
State-paper Office	20
Paymaster of Civil Services, Ireland	50
	<hr/>
	£8,940

Leaving a total reduction of £4,520

The knife of self-excision has certainly been very tenderly applied. The amount of salaries and expenses of these government offices are:—

Two Houses of Parliament	£93,200
Treasury	57,200
Secretary of State's Office, Home Department	25,000
Secretary of State's Office, Foreign ditto	76,000
Secretary of State's Office, Colonial ditto	36,900
Privy Council Office, Office for Trade, Education, &c.	43,000
Lord Privy Seal	2,000
Paymaster-General's Office	23,900
Exchequer	6,626
State Paper Office	2,700
Ecclesiastical Commission for England	3,540

Poor Law Commission, &c.	£240,000
Mint	45,194
Railway Department	7,996
Public Records	12,822
Inspectors, &c., of Factories	11,879
Offices in Scotland	1,755
Household of Lieutenant of Ireland	6,464
Salary of ditto	20,000
Chief and Under Secretary's Office, Ireland	24,235
Paymaster of Civil Services, ditto	5,596
Commissioners of Public Works, ditto	39,562
Secret Service Money.	39,000
	<hr/>
	£824,569

The salaries and expenses of our government offices are, therefore, £824,569, and out of this good round sum paid for the management of our business, independent of all that is paid for ambassadors, consuls, and boards of commission, not mentioned here, Ministers have actually compelled themselves to the reduction of £4,521!

Whether there be room for further reductions, the salaries of one of our government ministers, and of those in his office, will show. Take, as an example, that of

THE TREASURY.

First Lord	£5,000	
Chancellor of the Exchequer	5,000	
Three Lords Commissioners	3,600	
Two Secretaries, at £2,500 each	5,000	
	<hr/>	£18,600
Assistant Secretary	2,500	
Auditor of Civil List	1,200	
Principal Clerk for Colonial Business	1,200	
Ditto Assistant to Secretaries	1,200	
One Chief Clerk	1,200	
Two ditto, at £1,000 each	2,000	
Six Senior Clerks, at from £600 to £800	4,420	
Thirteen Assistant Clerks, at from £300 to £500	5,495	
Twelve other Clerks	3,448	
Twenty Messengers	2,315	
With other Clerks, Secretaries, Messengers, &c.	9,622	
	<hr/>	£34,600
Total		£53,200

The same scale of payment runs through all our public offices and the whole governmental system. The two Houses of Parliament spend the amazing sum of £93,200, and yet the 656 members of the Commons give their services gratuitously. Not so the officers of these houses:—

The Clerk of the Commons has (per annum)	£3,500
Clerk Assistant	2,500
Second ditto	1,500
Five Principal Clerks	5,600
Five Junior Clerks	4,602
Thirteen Senior Clerks	7,035
Thirteen Junior ditto	3,163
Two Accountants	1,210
Librarian	1,000
Two Examiners of Standing Orders	1,000

And so on. The clerks' department costs £31,000 a year; and, after all, the best clerks of Parliament are the reporters to the press. The department of the Speaker

costs £9,860, and that of the Serjeant-at-Arms actually £10,096. But it is not enough that these gentlemen are thus liberally paid for their services, there is an annual bill for compensation and loss of offices of £5,095 12s. 8d.

Move on through all the Government offices, and you find an equal prodigality of pay:—

Secretary of State	£5,000	Assistant Secretary of Ecclesiastical Commission	£ 600
Under-Secretary	2,000	President of Poor-law Board	2,000
Ditto	1,500	Two Secretaries	3,000
Foreign Secretary of State	5,000	Assistant Secretary	1,050
Under Ditto	2,000	Ditto	700
Ditto	1,500	Chairman of Board, Scotland	1,000
Assistant Ditto	1,500	Chief-Commissioner, Ireland	2,000
Colonial Secretary	5,000	Assistant Ditto	1,200
Under Ditto	2,000	Secretary to Ditto	1,000
Chief-Clerk	1,000	Master of the Mint	2,000
Lord President of Privy Council	4,000	Commissioner of Railways	1,500
Clerk of the Council	2,000	Secretary	1,000
Ditto	1,200	Deputy Keeper of Records	800
Secretary of Education Department	1,200	Secretary	450
President of Board of Trade	2,000	Four Inspectors of Factories	4,000
Paymaster-General	2,000	Lord Lieutenant, Ireland	20,000
Assistant Ditto	1,100	Chief-Secretary, ditto	5,500
Keeper of State Papers	613	Under-Secretary, ditto	1,789
Paymasters of Exchequer, etc.	3,080	Assistant Ditto, ditto	1,000
Assistant Comptroller	1,000	Paymaster of Civil Services, ditto	1,200
Secretary of Ecclesiastical Commission ..	1,000	Chairman of Board of Public Works, ditto ..	1,500

All these have their numerous establishments of clerks, secretaries, messengers, &c., with salaries ranging from £100 to £900 each. The expenses connected with the Lord Lieutenant of Ireland amount annually to upwards of £60,000.

Now, it is plain that if these salaries and expenses were only reduced one-fourth, putting the £4,000 salaries at £3,000, and throughout the same, the saving to the country would, in the £800,000, be—speaking in round numbers—not the miserable £4,521 of the present year, but £200,000. This, however, would be pressing hard on the working clerks, whose salaries there is no reason to believe too high. Still, leaving these untouched, there appears every reason to conclude that on Government salaries and expenses £100,000 might be saved, without touching on any but salaries and charges much too high.

3. LAW AND JUSTICE.

Under this head, the Association would particularly direct the public attention to the amount incurred by Government prosecutions. The total amount of Government law charges for this year is £1,196,814, which is an *increase*, compared with 1847, of £103,349; as compared with 1848, of £66,792.

Out of what has this serious increase arisen? Partly out of Government prosecutions of the Chartists in England and the insurgents in Ireland.

Law charges paid by the Solicitor to the Treasury . . .	£26,000	
Those of 1847 being <i>nothing</i> , of 1848, £9,000; increase . . .		£17,000
Sheriff's expenses, officers of Court of Exchequer, &c. . .	17,700	
Increase in 1848		1,700
Criminal prosecutions, &c., Scotland	73,730	
Increase in 1848		10,255
Criminal prosecutions, &c., Ireland	63,991	
	£181,421	£28,953

Here we have law charges for criminal prosecutions of £181,421, being an increase of £28,953 in 1848, and an increase in 1847 of nearly £12,000; or an increase, in two years alone, on the generally exorbitant law charges of £40,000.

4. EDUCATION, SCIENCE, AND ART.

The sum total appropriated to these purposes is £386,189, being an increase, as compared with 1847, of £34,946, and a decrease, as compared with 1848, of £11,331. This decrease is owing chiefly to the less sum expended on the new buildings of the British Museum. The sums voted for Public Education in Great Britain and Ireland are, together, £245,000, being an increase on 1847 of £45,000.

The following remark is from the report of the Select Committee on Miscellaneous Expenditure of 1848:—"They think that, however much the education of the poor ought to be a subject of national consideration, that votes of money for the public universities, where the wealthier classes are brought up, are of very doubtful policy."

No Government has advocated so much the throwing people on their own resources, though never very anxious to apply the advice to themselves; and the Association cannot but think that if the universities were thrown on their own resources they would flourish eventually full as well. The following sums are devoted to different universities:—

Professors of Oxford and Cambridge	£2,006
University of London	4,000
Universities in Scotland	7,480
Royal Irish Academy	300
Royal Hibernian Academy	300
Royal Dublin Society	6,000
Belfast Academical Institution and Theological Professors	3,100
	<hr/>
	£23,186

In any university or school, where exclusive theological doctrines are taught, it is obviously wrong to tax the people at large for their support; and if an excuse could be set up for the poverty of the Scotch universities, what can be said in defence of giving annually £2,006 to the professors of Cambridge and Oxford?

The Association would also remind the public of the vast amount of property in educational and charitable endowments throughout the kingdom, which are calculated to be worth £19,604,150, and produce an annual income of £784,178, in a great degree now misapplied to private purposes, and such as are alien to the intentions of the donors. These funds duly applied would in a great degree reduce the public charges for education.

5. COLONIAL, CONSULAR, AND OTHER FOREIGN PURPOSES.

The amount of payments for these services is £421,703, being an increase on 1848 of £10,344. If the admirable plan of Sir William Molesworth, as detailed in his speech in the House of Commons, of July 25th, 1848, and re-printed as Tracts 11 and 12 by the Association, were adopted, the greater part of this sum would be saved to the nation. Sir William proposes to give all the colonies representative Governments, on condition that they maintain themselves. He would also abandon many of the useless military stations, as Heligoland, Gibraltar, Malta, the Ionian Islands, Bermuda, the stations on the west coast of Africa, St. Helena, the Cape, Mauritius, Hong-Kong, Labuan, and the Falkland Islands. If this plan were adopted regarding the colonies, we should have done with annual charges like the following:—

Bermudas	£4,049
Prince Edward's Island	2,000
Clergy in Canada	11,578
Indian Department, Canada	14,102
Militia and Volunteers, ditto	16,000

West Indies, Governors, &c.	£18,028
Ditto and Mauritius, Justices	41,150
Western Australia	7,379
Western coast of Africa	13,680
New Zealand	20,000
	<hr/> £148,256

MILITARY STATIONS :—

St. Helena	£16,940
Port Essington	1,763
Heligoland	1,023
Falkland Islands	5,700
Hong Kong	25,000
Labuan	9,827
	<hr/> £60,253

£208,509

Amongst these items, £11,578 must be peculiarly offensive to the Dissenters of England, for it is, in fact, for the maintenance of a little Established Church in Canada and Nova Scotia, with a whole staff of bishops, archdeacons, and rectors, with a couple of Roman Catholic archbishops.

As regards the military stations, Sir William Molesworth asks of what use they are? None, except to find profitable posts to the connections of the Ministry and aristocracy. He states that Malta and Gibraltar alone cost us £336,000 a year. It was stated in the Ordnance Estimates of 1848 that fortifications and other works in these stations would cost us £460,000. The Ionian Islands cost this country £130,000* a year. The ostensible annual expense of others is given above.

But these sums are far from the real cost of these stations, for our Government accounts are so contrived that you rarely see the full amount of the cost of anything in any one place. Sir William Molesworth estimates the real annual expense of St. Helena at £40,000; of the stations on the African coast, at £52,000. But besides the stations, there is the fleet kept on that coast to suppress the slave-trade, which is returned to parliament as costing, in ships, troops, wear and tear, £30,628. Beyond this, there are other matters to the amount of £80,000 connected with these purposes, making the African coast an annual charge to us of £500,000. The Cape costs us £294,000 a year, with, now and then, a Caffre war of a couple of millions. We have already paid for that of 1847 £1,200,000; and it is calculated that there will be £800,000 or £900,000 more to pay. The Mauritius stands in these estimates at an annual outlay of £41,000, in conjunction with the West Indies, with which it is curiously jumbled; but Sir William calculates that its yearly cost to us is £92,000, and states that defences of the island are in progress, estimated to cost £150,000. Ceylon costs us in troops alone £110,000 per annum. Since we took possession of Hong Kong in 1841, it has cost £314,000 or about £40,000 a year, having a governor with £6,000.†

As to Labuan, perhaps no such successful Robinson Crusoe experiment was ever accomplished by an accomplished adventurer. It is colonised by us as a fine port of call and refuge for our vessels in the Indian archipelago. By other parties it is denounced as a pestilential bog. Mr. Cobden characterised its establishment as the work of "sentimental puffing." But whatever may be its merits or future value to this country, the absurd prodigality of the annual grant to it in its present position can escape no one.

	Per Annum.
Governor and Commander, Rajah, Sir James Brooke	£2,000 0 0
Lieutenant-Governor and Magistrate	1,375 0 0
Master-Attendant and Post-Master	500 0 0
Surveyor	500 0 0

* See Tracts 11 and 12. Sir William Molesworth's Speech.

† See the Estimates for Civil Services, class 5, p. 23; also Sir William Molesworth's Speech, Tracts 11 and 12, p. 10.

Station Surgeon	£416 13 4
Governor's office	487 10 0
Lieutenant-Governor's office	175 0 0
Master-Attendant's department	265 0 0
Surveyor's department	87 10 0
Medical department	100 0 0
Police department	420 16 8
Public buildings and contingent charges	3,500 0 0
	<hr/>
	£9,827 10 0

This must be confessed to be pretty well for a colony, according to Mr. Cobden, only containing ten white people! What an arduous business must be that of the Post-Master's with his £500 a year! the Lieutenant-Governor's with his £1,375 a year! the Governor's with his £2,000 a year, and £487 a year for expenses of his office, to say nothing of £3,500 a year—there was the same grant precisely last year—for public buildings! £7,000 already paid for public buildings, in Labuan, with a white population of ten souls! Sancho Panza could not possibly desire anything better in *his* Island of Barrataria!

AMBASSADORS AND CONSULS.

As regards the ambassadors, we get under this head only the *extraordinary* charges, amounting to £20,000. These consist of a multitude of items, and may be called the petty cash of the ambassadors, as postage, couriers, journeys, translations, newspapers, portorage, boats and boatmen, horse-hire, chaplains, clerks, provisions, stationery, fetes and illuminations, official presents, &c. &c. One only wonders that with such a number of items the account is not greater. But it must be recollected that these are all *extraordinary* expenses. That the ambassadors themselves have salaries amounting altogether to £140,000, besides pensions and superannuated allowances, £39,938, and still further charges for ambassadorial residences, which cost this country enormous sums. The house or palace of our ambassador at Paris cost us £36,000, and £6,000 have been spent in repairs on it during the last three years. That at Constantinople cost us last year £12,000, and it costs us £12,000 more this—£24,000 in two years. The one at Madrid cost us last year £3,000. A complete statement of all our ambassadorial expenditure under one head would show something so monstrous, that the account is carefully presented in detached fragments.

And of what use are the greater number of these offices? Clearly to find splendid appointments for members of noble houses. They appear in these various countries in such princely state that complaints have been made of it by different Governments, as on a scale casting their own princes of the blood into the shade. While our ambassador at Paris has £11,400 per annum, and a magnificent house, his outfits, his journeys, and all sundries paid for, with a salary for life of £2,056 on his return; while our ambassador at Vienna has £12,506; at Petersburg £9,000; and so on with all similar perquisites and pensions, the United States of America pay to their Ministers Plenipotentiary at European Courts 9,000 dollars, or £1,950 per annum!

A vast reform is needed in this department—perhaps, rather, the abolition of the whole, sending only an envoy to a foreign court on some particular occasion, the post being the ready medium of all other regulations between Governments. If we are to judge of the case by our late experience in Spain, the whole ambassadorial establishment is very questionable. While we had an ambassador at Madrid with £7,550 per annum, we had only trouble and insult. Since we have had none there, the Spanish Government has re-arranged its commercial tariff much to our advantage.

CONSULS.

The annual charge for these is £148,690. Their number—dispersed through various regions of the world—is 235, with salaries ranging from £100 to £2,000—the allowance of the Consul-General of Peru. Useful and essential as many of these officials are to the protection of our trade and fellow-subjects, yet much modification

might be made in their numbers and salaries. There are many insignificant places where we are at a loss to account for their existence. One does not exactly see why a British consul at Warsaw should have a salary of £1,000 a year, while one at Archangel has but £300, and another at Copenhagen but £150.

In France we have fourteen, with salaries amounting to £4,350; in Germany ten, with £3,260; in Spain and its dependencies fifteen, with £6,950; in Portugal nine, with £2,750; in Greece, Wallachia, Albania, &c., twelve, with £5,150; in Turkey twenty-seven, with £8,630; in Syria and Palestine eight, with £4,600; in Egypt six, with £3,160; in the United States eleven, with £5,700; in New Granada six, with £4,400; in Peru and Bolivia six, with £4,600; in Chili four, with £3,350; and in Brazil seven, with £5,950 per annum. Besides their salaries, we have an annual charge of £21,000 for contingencies, like those of the ambassadors, and another charge of £18,058 for retired allowances; this latter objectionable one evidently in rapid growth, being in the former year only £16,438, showing an annual increase of £1,620.

6. SUPERANNUATION AND RETIRED ALLOWANCES, &c.

Of the sum total of this department of expenditure, amounting to no less than £210,652—a sum also in a rapid state of growth, this year's charge being an increase on that of 1848 of £18,127—there is scarcely a shilling that is not paid on false and pernicious principles. The total may be divided into four items: first, pensions to officers of Government, who have been most handsomely and even extravagantly paid during the term of their real service; the second, sums which we have charged ourselves with, from false ideas of British magnanimity, for foreigners; thirdly, charities to Ireland; and, fourthly, stipends to dissenting ministers.

SUPERANNUATION AND RETIRED ALLOWANCES.

The Association has already, in Tract 14, declared its conviction of the false and mischievous principle of these allowances. They are calculated to destroy all economy and providence, both in governments and individuals. It is preposterous in a nation eight hundred millions in debt—which it is not making a single effort to liquidate—first paying double the amount of salary necessary, and then maintaining the twice or thrice-paid individual for the rest of his life in idleness. It is peculiarly preposterous in a Whig government, which was the first to introduce the doctrine of throwing every man on his own resources, and which for a long time applied this doctrine to the poor with a rigour unknown in the history of the world. It is still more preposterous when we consider that numbers of these individuals, even during the period of their nominal services, perform no real or valuable functions for their money, as in the case instanced in Tract 14 of a Mr. Greville, who was for a long course of years Clerk of the Privy Council in England, and at the same time Clerk of the Council in Jamaica, besides Secretary, Commissary, and Steward-General, and Clerk of the Enrolments in that island, *where he had never set his foot* in his life; but wrote a pompous letter to a Committee of the House of Commons explaining that, as Clerk of the Privy Council, he could not *do the work* in Jamaica, but had had no scruple in pocketing the money. This man was, on this system, entitled to be maintained for life, after having robbed the country in this outrageous manner for many previous years.

Who does not then observe with indignation that, for such men and such *services*, we are paying annually £110,117, besides paying the heavy enormity of the regular Pension List.

In this scandalous list, the extravagance of which, as might be expected, is rapidly growing—for idleness is the mother of waste—we find the payment of no less than £25,690 a-year to persons who have been in the Treasury and the three offices of the Secretaries of State. These offices, we have just shown, divided annually £238,300. Yet, out of this enormous sum, their officials cannot save enough to maintain their old age!

Old age! Many of these people have good estates of their own. Their [old age

is often the termination of their possession of their places by the going out of office of their party; so that by this system, whether Whig or Tory are in, we are paying both.

In this extraordinary list the Alien Office charges us with retired allowances, £1,330 per annum. The Slave Trade Commissioners have established an annual claim on it of £6,350; growing fast, moreover, or at the rate of £1,000 a year. The ex-Consuls, we have just seen, draw as retired allowances £16,438 per annum. The Convict Hulk Establishment has managed to debit us for like allowances £4,302 a year, also growing. The Insolvent Debtors' Court, the Queen's Remembrancer's Office, and offices of different prisons, have got hold of us in the same way. The Audit Office claims £15,191, an advance on last year of only £6,216. The Stationery Office is by no means *stationary*, charging, in addition to £277,762 for its papers and blue-books, and £11,192 for its office establishment, £1,714 for retired allowances—also grown since last year £310. The different Paymasters-General, now consolidated under one head, after charging us £23,900 for the year's expenses, *actually charge us nearly as much for retired allowances*, namely, £21,223—an increase on last year of £11,565! The Public Offices in Ireland, Linen Board, &c., demand £9,741 for retired allowances. Our space does not allow of our going into the particulars of these allowances; but we may give a few specimens. The chief clerk of the Audit Office retires at the age of 63 from a salary of £1,150, retaining for life £1,000 per annum; the second clerk, at the age of 58 retires from a salary of £1,000, retaining £770 for life; the third clerk, at the age of 41, retires from a salary of £595, retaining £290 a year. The chief clerk of the Home Secretary's Office, at the age of 76, retires from a salary of £1,432 16s., retaining £1,432—or all but the 16s.—a year for life; the senior clerk, at the age of 71, retires from a salary of £1,025, retaining the whole salary for life. Thus, we have two staffs of public servants—one in service, and well paid; the other retaining at least three-fourths of their old salaries in retirement. This is a system more indulgent to the officials than to the poor and struggling tax-payers.

PENSIONS TO FOREIGNERS.

Under this head we are paying the following yearly sums:—

Toulouse and Corsican emigrants, French, St. Domingo sufferers, and American loyalists	£4,100
Polish refugees and distressed Spaniards	8,990
French refugee clergy	1,000
Ditto laity	350
	<hr/>
	£14,440

These items have, from year to year, been met with deserved reprobation by the Liberal members of Parliament. For a nation more in debt than any other nation in the world, at this or any other period of the world, and for a nation which refuses the slightest assistance to its own industrious people till they are reduced to the most utter destitution, and then only the merest dole, on condition that they go into a union workhouse, it surely is a preposterous piece of vanity to set itself up as the almoner of all other nations.

But for what do we pay these individuals? The American loyalists—amongst whom is a descendant of the peaceable William Penn—we pay for having helped us to lose the United States, and incurred an expenditure of £372,600,000 in losing it. These Penns are wealthy people—this very Penn, the pensioner, we believe, the proprietor of the magnificent house and estate of Stoke Pogis. The French, Polish, Spaniards, and other foreigners, we pay for endeavouring to help them and their countries against Napoleon Buonaparte, at a cost of the awful sum of £1,835,830,000! Or, because they were oppressed by our dear allies, the Russians, Prussians, and Austrians.

Surely it is enough that we have paid some thousands of millions for our meddling in such affairs, and are taxing our labouring millions to pay the eight-and-twenty millions of interest on that account, without also imposing on them the maintenance

of a number of refugees who chose to fling themselves upon us, and are in no hurry to take themselves off again. Why maintain these more than the tens of thousands who have been ruined in the same cause? No other nation, search Europe round, can be found capable of the same pseudo-charitable folly.

Amongst the most extraordinary subjects of our philanthropy are the refugees in consequence of the revocation of the edict of Nantes! Mr. Osborne, in the House of Commons, last year, declared that French refugees were still receiving part of this money on plea of being refugees in consequence of that event, though the youngest of them, if he began to receive the pension as soon as he was born, must now be 164 years of age! Yet certificates, duly prepared and attested, were sent in, and the demand complied with! He declared, also, that many of the pensioned Poles were in profitable businesses. One a thriving bookseller; another a very extensive tobacconist. Their wives and children, he added, in many instances, were pensioned too. There is an establishment for supporting these Poles which costs £800 a year, and of which the secretary has a salary of £278!

CHARITIES TO IRELAND.

The recoil of bad government is here again visible. By our mischievous policy we reduce a nation to pauperism, and then are obliged not only to send over our £10,000,000 to prevent the utter extinction of life in the country, but have to extend the hand of *charity* from year to year to maintain those institutions which, in this country, are freely supported by voluntary contributions. We have referred to the Irish colleges and academies already: here we have a list of valuable institutions, but such as, in England, are self-supporting, quartered on the imperial revenue; so that the English public has double service to perform in the work of philanthropy.

The Foundling Hospital, Dublin	(per annum)	£1,000
The House of Industry, Do.		12,093
The Female Orphan House, Do.		800
The Lying-in Hospital, Do.		800
Dr. Steeven's Hospital, Do.		1,500
The Hospitals for Incurables, Do.		500
The Fever Hospital, Cork-street, Do.		3,800
The Westmoreland Lock Hospital, Do.		2,250
Charitable allowances, Meath Hospital, Vaccine Institution, &c. &c.		7,096
		<hr/>
		£29,839

STIPENDS TO DISSENTING MINISTERS.

The payment of those sums called *Regium Donum* have been continually objected to in Parliament, and by the public, they are so well known, and their principle so well understood, that there requires nothing more than to state their amount.

For the Non-Conforming, Seceding, and Protestant Dissenting Ministers in Ireland	£37,183
For Protestant Dissenting Ministers in England	1,693
	<hr/>
	£38,876

This dole to the Dissenting Ministers of England, according to the statement of those appointed to distribute it, amounts precisely to 22s. per minister receiving it!

MISCELLANEOUS, SPECIAL AND TEMPORARY OBJECTS.

There requires little comment under this head, some of the chief items having already come under notice in other departments of these accounts—as the extraordinary expenditure on the residences of ambassadors, &c. The charge for militia and volunteers in Canada may be noted as one that ought, under the present representative government of that colony, to be transferred to the colony. It is £16,000 per annum. The new expenses of the Metropolitan Sanitary Commission and the Board of Health, though considerable together (£15,652), are of so beneficial a nature that

they require no comment, especially as the greater proportion of them (£8000) are hereafter to be paid from local funds.

Finally, there are a great number of miscellaneous charges of a very singular character which space only prevents us bringing under notice. Amongst them are several sums, called *QUEEN'S PLATES*, which, as they are placed to the charge of the people, should, if they are to be paid at all, be properly called *PEOPLE'S PLATES*, viz.:—

Queen's Plate to be run for at Edinburgh	·	·	·	£98	16	6
Ditto ditto the Caledonian Hunt	·	·	·	98	16	6
Ditto to the Royal Company of Scottish Archers	·	·	·	20	0	0
Fifteen Queen's Plates to be run for in Ireland	·	·	·	1,574	6	2
				£1,791	19	2

Contingent expense at the Paymasters' office at Whitehall, and the branch office at the outports, and *Hanover*. What have we to do with Hanover, except to pay the King's salary? Yet it seems we expend, in paying it, £1,400, and gain, in exchange and per centage, £1,676, or save out of this payment of £20,000 to a foreign monarch the large sum of £297.

We pay £800 a year for a crown agent to look after the Queen's tithes and church patronage.

We maintain a staff of crown lawyers in Scotland at a cost of £73,730 per annum; and in Ireland, at a cost of £63,991.

We pay an annuity, granted by Charles II., to the ancestors of the late Sir Thomas Clarges, of £500; and to the Bishop of Chester for the stipend of two preachers in Lancashire, as if the church was not rich enough to provide its own preachers.

In short, such are the numerous exorbitant anomalous charges included in the Miscellaneous Estimates, that it remains only to repeat the conviction that nothing but cutting them down to the scale of 1834—that is, to £1,800,000—will avail to check the extravagance of this branch of expenditure.

THE LIVERPOOL FINANCIAL REFORM ASSOCIATION.

The *Objects* of this Association are to procure the most rigid economy in the Public Expenditure consistent with good and efficient government, and to change the present system of Taxation, by the substitution of *Direct* for *Indirect* Taxes. The reasons may be found in the Tracts.

Subscribers of 10s. or upwards per annum are entitled to all the Society's publications for the current year, postage free.

Post-office Orders to be made payable to Edward Brodribb, Esq., North John-street, Liverpool.

Subscriptions are also received at the Commercial Bank of London, Lothbury, and 6, Henrietta-street, Covent-garden; also by Mr. Effingham Wilson, Royal Exchange; and Mr. Cassell, 335, Strand, and 80, Fenchurch-street, London.

The Tracts may be had at the Office, 26, North John-street, Liverpool, and from SMITH, ROGERSON, and Co., Lord-street; and Sold by all the Booksellers. LONDON: the Trade Supplied at the Office of the *Standard of Freedom*, 335, Strand, and by SIMPKIN, MARSHALL, and Co., Stationers Hall-court; GEORGE VICKERS, Holywell-street, Strand; EFFINGHAM WILSON, Royal Exchange; H. BINKS, 85, Aldersgate-street; CHARLES GILPIN, 5, Bishopsgate-street; JAMES GILBERT, Paternoster-row. DUBLIN: by GILPIN, Dame-street. MANCHESTER: ABEL HEYWOOD, EDINBURGH: J. MENZIES, Prince's-street.

FINANCIAL REFORM TRACTS.

No. 19.

EVILS OF INDIRECT TAXATION.

(Continued from No. 17.)

SECTION XI.

HOW INDIRECT TAXATION AND SMUGGLING ARE THE ANTAGONISTS OF FREE COMMERCE AND FREE NAVIGATION.

THE more relaxed the laws which have fettered navigation and obstructed commerce; the greater the service which science renders to the abridgment of the time and space which separate nation from nation; the more capital invested in building ships and filling them with cargoes; the more industry and skill employed in ship and cargo afloat and ashore; the more powerful the machinery of the steamer; and the greater the number of those commercial interchanges which are the outward signs of the progress of civilization—the more apparent is the folly of, the more positive the wrong done to commerce, to civilisation, and to national prosperity, by, the revenue laws.

Attention and earnest study are invited to the obstruction which the examination or "rummaging" of vessels causes to the free operations of trade, to the wrong which the shipowner suffers by fines, and the owner of the cargo suffers by delay, loss of markets, demurrage, and concurrent evils, through the smuggling of the crew, or other persons on board their ships over whom they have no restraining power, to whom the high duties of indirect taxation present an inducement which those persons do not resist. It is alleged by the customs' officers (*Tobacco Committee*, 1844) that there is not a vessel enters the port of Liverpool from America, British or American, but the crew have with them, secreted in some way or other, tobacco, which, if discovered on their persons, would lead to their fine or imprisonment. But if this tobacco is found in the ship, and no owner of it is discovered, *the ship is fined*. As much as £1,000 has been levied in such a case. But the owner of the cargo is frequently the greatest sufferer. He cannot bring it into the market while the vessel is under attachment, or until a deposit of the amount of penalty is made, or bond given. So important to the merchant is despatch or delay, that Mr. Horsfall, late Mayor of Liverpool, stated a case within his knowledge, in which a merchant lost £2,000 on a cargo of sugar, by having to delay for a landing-waiter of the customs, who was engaged elsewhere, to authorise its delivery.

The steam-vessels trading between London and continental ports, and from Hull to the same ports, carry contraband goods, tobacco, spirits, silks, lace, and gloves, in defiance of the owners; so do the Transatlantic steamers. The carriers are the engineers, stewards, stokers, and seamen. From sixteen thousand to eighteen thousand seamen, British and American, enter the port of Liverpool in twelve months in vessels sailing direct from the American continent. Most of them are alleged to be adventurers in smuggling tobacco, less or more. For the safety of the shipping in the docks they are not allowed to live on board, to cook, or kindle fires; consequently, they come ashore to every meal, and have thus great facilities for landing tobacco. The number detected bears but a small proportion to the number suspected, which makes the adventure so little hazardous that the customs' officers and the law inspire no fear. Those who fear the officers and the law are the owners—the victims of those seamen who place the property of the ship and cargo in ever-recurring danger. This, it is believed, is often done by collusion with some of the revenue officers. Of this it is difficult to obtain conclusive evidence. But, as the informer (who may be the smuggler) and the officer have both a pecuniary interest in an occasional discovery, seizure, and fine, while the smuggler may well afford to pay the officer handsomely to wink at what he sees; and as the expenditure of the revenue servants is notoriously far beyond their honest income, there is too much reason for severe suspicion. That property so great—that interests so vital to the welfare

of the nation, should be continually at the mercy of men bred to dishonesty by a vicious system of finance, is an anomaly which fills the mind with wonder, and the more so that merchants have so long submitted and suffered—suffered and submitted.

In the port of Liverpool the smuggling is chiefly on the article of tobacco which comes direct from America; but the smuggling in the ports of London, Hull, Newcastle, &c., is in various goods. So far as tobacco is concerned, it is chiefly in an article which has been in the bonded warehouses of London or Liverpool, and which has been exported to Dutch or Belgian ports (free of duty) to be smuggled back to England by the engineers, stokers, stewards, and seamen of the numerous steamers plying to and fro.

Mr. Davis, a tobacco broker in London, whose firm has been 150 years in the trade, and who the year before giving evidence to the Tobacco Committee of 1844, had paid on account of the merchants and dealers for whom the firm were brokers, about a million and a half sterling to the Government in duty (being over one-third of the whole tobacco duty paid in the kingdom), stated that he was prepared to support his evidence relative to extensive smuggling, and the hardly less extensive collusion or negligence of the revenue officers, by the production of various persons who had been largely engaged in smuggling. The conditions were, that their names should only be known to the Parliamentary Committee, not to the public. He put in a statement thus:—

“A called on B, and offered to bring home to his house from bond six cases of Manilla cheroots, weighing each 144 lbs., on B paying £200. B declined this, fearing to lose the cheroots, on which A promised that if B would pay £240, A would guarantee the safe delivery, and deposit £300 three per cent. stock with B to hold as collateral security for the safe delivery, which was done. Various operations on this plan, amounting to thirty cases within seven months, by one party, were effected in London. Loss to revenue £2,090. In these instances, the officer on board was bribed to the amount of £20 to £50, according to quantity.”

This transaction was effected by the cases of cheroots being cleared from the bonded warehouse for exportation. They were placed in a lighter, to be put on board a ship lying in the river. Outside the dock-gates another lighter was lying, with dummy packages in it, similar to the cases of cheroots. The two lighters come into collision, as if by accident. The revenue officer in charge of the genuine cases, while the lighters were bumping against one another, and their crews probably quarrelling as to which lighter was in the wrong, stepped nimbly from that which had come out of the docks into that which carried the dummies. He was rowed alongside the ship in the river, the dummies were put on board that ship, and the cheroots were landed at some of the wharfs. By that step, from one lighter to another, the officer earned his £20, £40, or £50. B. told A. that, as he could effect the landing of the cases in two days, as he had done, he might afford to do so for less than £240, the sum stipulated for; but B. said—“Oh, it is not all profit; *I have two or three to pay.*”

In a transaction of this kind an officer runs a risk of detection; but in the case of being placed on board a vessel coming up the Thames to London, or entering the Mersey to Liverpool, he runs no risk at all. Even if there be two, or, as in some instances, three officers placed in the ship, they may be in collusion; as in the case just related, there may be *two or three to pay*. They are placed on board to rummage the vessel, and they may either see or not see, according to the bribe received, or the convenience of making a seizure to keep up their reputation. If the latter be the case, the seizure may be, and very frequently is, effected without any individual on board being implicated. The vessel is then fined; the innocent owner bears the loss, and the delinquents divide their profit. To provide the officer with an occasional case of this kind to maintain his reputation for vigilance, he may allow many a package to go through port-holes or cabin windows while he is on the deck without caring to see them, or in rummaging he may omit to open suspicious places without any fear of detection for himself.

Lieutenant Watson, a searcher and landing-waiter in the river Thames, says:—
“The mode in which smuggling is now carried on, is by means of steamers and coasters, in the port of London. We have nine steamers weekly from what may be termed tobacco ports in Belgium and Holland: my own impression is that there is not one of them that brings less, on an average, than one hundred weight per week.” (That is of tobacco, besides lace, silks, gloves, and spirits occasionally.)

Speaking of a Hamburgh schooner in which he had found 120 lbs. of tobacco, Mr. Watson says:—

“The seizure was made just off the Custom-house. She had just arrived from Hamburgh. The place of concealment was where the men lived, in the fore-castle. I discovered the tobacco from information. In fact, having the information, it was with difficulty I could detect the place of concealment. In steamers it is very generally placed among the coals, where it is almost impossible to detect it without turning over a quantity of coals. Of course, you can only turn over a certain quantity in the confined place where the steamer’s coals are.”

After stating that his impression is, that the most culpable of all the parties on board the steamboat are the stewards, he explains the revenue practice in the Thames to be thus followed out:—

“On a vessel arriving at Gravesend, she is boarded by the establishment stationed there, and tidewaiters are placed on her; generally four to a steamboat and two to a sailing-vessel. Sometimes, when there is a great press, vessels come up without any tidewater.”

“The instructions to the tidewaiters are, not to permit anything to be landed from that vessel which they have so boarded, without an order. There is a regular form, after the vessel’s entering, for every package before it goes on shore. There is an order, signed by the proper officer, authorising the tidewater to deliver the packages specified in that paper.”

Compared to this inquisitorial, dilatory, and barbarous mode of business, recurring with every tide that flows, with every ship that comes from a foreign shore, the examination, once a year, into the income of a merchant for the purpose of direct taxation would be agreeable; or, at worst, a harmless substitution in a matter of necessity. But place in the balance, also, the frequently recurring stoppage of those parcels of cargo, and the arrest of the ship through the misdoings of persons on board, over whom the owners of cargo and ship have no control, and the fact that after grievous delay and loss, the ship may only be released by payment of a fine, and then the simplicity and efficiency of direct taxation outweigh in commercial value the barbarous system of indirect taxation here exemplified; on a scale which defies all comparison.

SECTION XII.

THE ANTAGONISMS OF INDIRECT TAXATION TO FREE TRADE AND CIVILIZATION FURTHER PROVED.

The Association resume the investigation of this all-important subject.

Captain Phipps Hornby, the Comptroller-General of the coast-guard, and Captain Sparshott, his assistant, gave evidence on smuggling, which falls naturally within our notice in connexion with the subject of the last section.

“As commerce increases with steam-boats and barges up the river, there is no doubt the facilities for petty smuggling must go on.”

The only remedy known to those gentlemen is to make the penalties more severe; to pay the officers of the coast-guard higher salaries; to raise them above the temptation to take bribes; and in every case to confiscate the ship in which smuggled goods are found.

Q. (To Captain Sparshott.) “You concur with Captain Hornby in thinking that in no case should the penalties be mitigated?”

A. “In no case whatever; nor should the vessel be restored.”

This witness states that the colliers are largely concerned in the contraband trade:—“They go into the Wear or into the Tees,” he says, “or into the Tyne, sometimes three-hundred or four hundred vessels in one tide, so that it is impossible to board them.” Those vessels, he says, take tobacco for others which lie in wait for them at sea, that tobacco being shipped from London as for exportation, free of duty. That great quantities of smuggled tobacco are carried into those northern ports there can be no doubt. The retail traders throughout the country are supplied from Newcastle with good tobacco at prices barely amounting to the duty. The London manufacturers complain that they cannot compete with them, and declare that it is not possible for that Newcastle tobacco to have paid duty.

Q. (To Captain Sparshott.) “What check would you recommend?”

A. “I would make the master and mate responsible for any quantity of tobacco that was found on board. I would make the penalties very severe. I would apply the same principle in the case of brandy or silks, or anything else.”

Captain Hornby: “If a vessel is seized it is a thousand to one that she is not condemned; she is almost always liberated for some cause. Now I think the strongest possible prevention would be, to carry the sentence out, whatever it is; and, if it could be done, I would make it more stringent against the master of the vessel. I would hold him responsible for the vessel, just as much as if he was to lose part of his cargo he would be made to pay for it.”

Q. “You would not punish the master of the vessel for any of his crew smuggling small quantities of tobacco?”

A. “I would most undoubtedly do it.”

It is important to know that those experienced officers, who must have reflected for a number of years whether a more efficient check could be put upon smugglers, cannot devise else to protect the revenue under the vicious system of *indirect taxation* than a

severer punishment of innocent parties. They would punish the unoffending master, shipowner, or merchant ; and in this age of free trade and liberated navigation would have a more numerous and expensive coast-guard to arrest the suspected coasting vessels, and all ocean ships whatsoever, as they approached our harbours ; would carry them captive as prizes taken from an enemy, if they had anything contraband on board ; would confiscate them and fine other persons, without power or plea of mercy or redress ; and all this that such terror upon the innocent, such a war upon free commerce, might impel the sufferers to protect themselves by a struggle to protect the revenue !

In the days of the robber chiefs upon the Rhine—in the days of black mail in the highlands of Scotland—of freebooting on the borders—of the Inquisition in Italy and Spain—of the Holy Vehmé in Germany—such a proposition might have been listened to in the ignorance and impotence of feudal serfs ; but—it is too late. Yet it is important to know that, in the judgment of those most competent to judge, *indirect taxation* cannot be fully levied except by application of a scourge to the innocent worthy of the Caliph of Bagdad. Nor do those chief officers of the coast-guard admit that the reduction of duty, as proposed by some of the members of the Tobacco Committee of 1844, would put down smuggling.

Q. 5,944. "Have you formed any opinion what would be the result as regards smuggling if the duty on tobacco was reduced to 1s. a lb.?"

Captain Sparshott: "I think, unless you take the duty off altogether, in which case you must withdraw the coast-guard, you would not prevent smuggling. I know the habits and practices of the fishermen along the coast of Kent and Sussex, contiguous to France ; they would carry on the smuggling however small the duty, because they have greater facilities for it than the fair trader. They get their own living by working in boats ; they have no port dues to pay ; they have no lights ; they have none of the expenses attending upon merchant vessels, therefore they could undersell the fair trader, even if the duty was very low."

This applies with more truth to the seamen, petty officers, and stokers of foreign-going vessels, who, like the fishermen, have no port dues, light dues, nor expenses attending merchant vessels, but have not even the expense of the boats and the fishermen's expenses to meet : they have not one item of expense to meet beyond the prime cost of the contraband article : they are carried free to the port where it is purchased, and free to the port where it is sold, by the shipowner or merchant, who have hired their services in the ship. Even if their smuggled store be discovered by the revenue officers on board the ship, the fines are levied on the shipowner and merchant, who may be, perchance, the helpless competitors, all the taxes on their heads, with their own hired seamen. Truly do the chiefs of the coast-guard say that, so long as there is any duty there will be smuggling.

Q. 5948. "You consider that, unless the duty were taken off altogether, you could not dispense with the coast-guard. Do you think you could dispense with the coast-guard by a reduction of the duty to a very considerable extent?"

Captain Hornby: "If you reduce the duty to 1s. (on tobacco), I think you could not dispense with the coast-guard."

Captain Sparshott: "If you took off the duty altogether, you would, as a matter of course, take the coast-guard away."

Q. 5949. "Supposing you reduced the duty to 1s., in that case, in order to prevent smuggling, must you keep the coast-guard in as efficient a state as it is now?"

Captain Sparshott: "I should say, decidedly, because of the duty on spirits."

Elsewhere it is proved, by these and other witnesses, that the numerous receiving-houses on each bank of the Thames in London, to which tobacco is conveyed from the vessels in the river, lead to a petty smuggling in spirits, which would not be carried on by steam-boat engineers, stokers, and seamen upon its own account. The parties who convey these articles ashore are watermen, gangs of confederated idlers, and, of late years, boys and children of tender age. The tidewaiters give a deplorable account of the children, many in number, who are trained by their parents to conduct a department of the tobacco smuggling on the Thames. Moral ruin in its worst forms is the invariable result of that training, Newgate, the Old Bailey, the Hulks, or a premature grave, receive those hapless creatures. At the age of twelve or fifteen they have the diseases and vices of well-matured sinners. The hours at which they prowl about the water keep them from bed at night ; the gains they bring to their parents are too large for them to be sent to school in the day : church and chapel hours are the best daylight hours for smuggling. It is a question not vaguely conceived, but well considered, if all the churches and chapels along within sight of the river Thames, below the Archbishop's Palace at Lambeth, draw as many children off the riverside within their doors for tuition and salvation, as that system of smuggling, which has arisen since the steamers navigated the river, draw to the water to paddle in the receding tide for contraband packages of tobacco.

“ Mr. Davies, a tide-surveyor, says:—‘ You will see them (the children) in the tap-rooms after they have run a crop ashore.’ ”

Q. “ Do you see that produce any effect in deteriorating the morals of the children ? ”

A. “ Yes; they get from smuggling to thieving.”

Q. “ In fact, they become vagabonds more than anything else ? ”

A. “ Yes.”

Q. “ And this practice of smuggling has tended to deteriorate the state of public morals ? ”

A. “ Yes.”

And again:—“ They get 2d. every half pound. Mrs. Gregson (a noted receiver, who employs children) pays regularly 2d. a half pound and 4d. a pound.”

Q. “ Is it not the practice at the receiving-shops that they are paid immediately ? ”

A. “ Most of them are paid immediately, unless the man on board who employs them to run the tobacco pays them. Frequently they do it in that way. Sometimes the man will pay it; and if they have run it safe they bring a little note with a mark upon it, and they go away with another crop. One lad told me (I do not know whether it was bravado or not, but he was an audacious rascal) that he had run 60 lbs. in one day. That was from a steam-vessel lying opposite the Custom-house. He had his father’s boat, and went backwards and forwards. They are so close to the shore (it is about three boat-lengths) they may be back a hundred times in the course of a day. From other information, I had every reason to believe it.”

Of the men employed in running the tobacco and spirits ashore in London, the same witness says:—

“ Those transactions, in spite of all the attention on the part of the officers, are of frequent occurrence, I have no doubt. I know a gang of men on the Horsleydown side of the river; and I am very often about there at a late hour, and sometimes I see them very ragged and very badly off, and I miss them for a fortnight; and I go again in disguise, and I see them with plenty of money—£20 or £30; and then they stop and are ragged again, and are as badly off as they were before.”

This witness also stated that no system of watching that could be devised could entirely stop smuggling. And he said:—“ I should say, taking it altogether, from my experience in London, that there is not above one-third of the tobacco that is consumed in London that pays duty.” “ All the sailors,” he says elsewhere, “ belonging to the steam companies are smugglers.”

Mr. Dean, Chairman of the Board of Customs, said:—

“ I have no doubt that the change which has taken place by the introduction of steam, has altered the character of smuggling. The opportunities are so quick and so rapid, that many steamers are used for bringing home either large or small adventures.”

Q. “ Has it not come to your knowledge that many seizures have taken place in steam-vessels where the owners were perfectly ignorant of it ? ”

A. “ Totally so; I have had repeated communication with the Steam Navigation Company (which run vessels to the Continent), and they have, upon all occasions, shown the greatest wish to put an end to it. In many cases of vessels seized, which have come before the Treasury, where the parties have appealed, in consequence of the seizure, there has always been a reasonable consideration of the owners of the vessel.”

Yet what interruption to business, delay, loss, and vexation for innocent owners to have to go with humble memorial to the slow officers of the Treasury to get vessels liberated ! And yet the only probable remedy which the authorities of the coast-guard can suggest to check smuggling, is to confiscate those vessels without leaving a discretionary power of restoration with the Treasury.

From Hull the evidence is the same, that every new steamer put on the water carries a crew of new smugglers; that every knot an hour of additional speed is an addition to the frauds upon the revenue; an additional wrong to the fair trader; an additional hazard to the shipowner and the merchant whose goods are in the ship. That every step which maritime science makes forward, causes a retrogression to deeper barbarism in financial economy.

In Liverpool it is alleged that every vessel from America has smugglers on board; Lieutenant Walker, who is at the head of 400 men employed there, chiefly afloat, for the prevention of smuggling, states that they are inefficient for the purpose. He, too, requires to have greater numbers, higher salaries, and stricter punishments.

“ Our duty,” he says, “ consists in guarding the cargoes until they are duly landed, and have passed into the hands of other officers of the Customs.” [That is, literally, in obstructing and delaying the operations of commerce until the Customs’ officers on shore are ready to obstruct and delay that commerce in their turn.]

“ We place generally two officers on East India cargoes,” he says, “ and one on minor cargoes. In cases of tobacco we place three, and in cases where the cargo is in a very

bad state we place four: we place three generally. We board the vessels as soon as they get within the Rock lighthouse. From the moment the officers are put on board, they remain on board until they leave finally."

Q. "During the night the officer must sleep, and if there is only one officer, what use is he on board?"

A. "A vessel is not allowed to break bulk; that means, to open her hatches, until she is duly reported, and therefore perhaps one officer is considered sufficient until that takes place."

Q. "Supposing the tobacco not to be in the hold, but stowed in other places, what security can one officer be?"

A. "I should state that directly the vessel arrives, a superior class of officer, called the tide surveyor, proceeds on board, and searches the ship; that is termed a 'rummage,' and he has boatmen who are supplied with tools for the purpose, and lanterns, and they go into all parts of the ship that are accessible, and they search, and frequently seize tobacco on those rummages. All goods subject to duty, which are concealed, they seize, because there is a fraud evidently intended, *particularly if they are in small parcels or quantities.*"

That is such quantities as the seamen are likely to smuggle, the officers knowing that neither the owner, master, nor merchant is likely to be engaged in the adventure.

"In Liverpool," Lieut. Walker continues, "smuggling is chiefly confined to tobacco; there is also a little done in silk. I should say the bulk of the smuggling takes place from the United States, from Prussia, and Holland and Belgium. Beyond doubt, in a small way, every vessel which enters Liverpool from those countries, British or foreign, carries on smuggling. The seamen are the class of persons who do it."

Q. "Do you consider that the captain and officers, and steward also, participate in the trade?"

A. "I think there are cases in which captains and officers do participate. I should say that the greatest smuggling takes place with American vessels, because they come from the tobacco country. They get it ashore in small quantities; they carry it about their persons, a pound or two at a time. They may go twenty times ashore in a day. I have found 47 lbs. on one man. There are depôts in Liverpool where they receive the tobacco from the seamen. They send it over the country, taking care not to have much in case of a seizure."

Q. "In the event of your having reason to suppose that any man has escaped you who is smuggling tobacco, is it your business to give information to the Excise?"

A. "We should follow him ourselves, if we knew where he could be found."

Q. "Have you ever followed any parties?"

A. "No; I do not remember an instance, because he would be very quick in his movements to get away."

But the ship in the docks, and the cargo in the hold, cannot get away, and the officers stick fast by them, and detain them at pleasure. There are about 150 seamen detected out of 17,000 who are alleged to be smugglers; only about one-third of all the tobacco consumed in the country pays duty, and yet that impotent coast-guard for that small achievement is seated like a nightmare upon the very heart of the national vitality.

Q. "Are you authorised to attach the ship if you find any quantity of smuggled tobacco on board?"

A. "Yes."

Q. "Have you ever done that?"

A. "It is generally done when they find a quantity of tobacco on board. In those cases where we find no owner for the tobacco, the ship is stopped, and the ship is fined; that is the rule, on the ground that sufficient vigilance has not been exerted by the captain and his officers."

Q. "As the number of seamen and the amount of shipping go on increasing, the amount of smuggling must also go on increasing?"

A. "Unquestionably."

Q. "And the difficulties of checking it of course increase?"

A. "Of course."

Q. "Have you had any increase of smuggling since steam navigation has prevailed so much to foreign parts, particularly to America?"

A. "I believe the Halifax steam-vessels are generally seized for smuggling. I would not be guilty of a libel upon them, but I believe they seldom escape. There are so many places of concealment about them, amongst the fire-places and so on, that it is more difficult on the part of the captains and mates of those vessels to know what is put into them than in the case of ordinary vessels."

Q. "What class of men on board those vessels are usually smugglers?"

A. "The mate and steward, doubtless, though it is difficult to bring it home to them."

Q. "Do not the firemen smuggle tobacco?"

A. "Yes; the stokers. There are great facilities in the steamers, and their numbers go on increasing."

So it seems, if the progress of science and civilization could be arrested, and directed backward to ignorance and barbarism, indirect taxation would be more appropriate to its purpose than it is now. But there is another characteristic of indirect taxation: it cannot be enforced, even in its inefficient service to the Treasury, but through informers. The spirit of Cain is the spirit of brotherhood which this system infuses among seamen. Listen:—

Q. "You speak of the danger to which the informers are exposed. What danger do you refer to?"

A. "Their very lives are sometimes in danger. If a man informs against his partner in any act of the kind, he dare not give the slightest hint of it, for his life would be in danger if he did."

And besides advocating a more stringent appliance of the law which shall confiscate the property of the innocent, this Lieutenant of the guard recommends an increase of reward to informers, that more of them may place their lives in danger.

What facts have we proved in this and the preceding section? We see arrayed, in condemnation of the system of indirect taxes, the facts of commerce obstructed—officers of Government corrupted—the innocent punished, though known to be innocent—the fair trader stripped of his profit, ruined in his capital—the revenue defrauded—the young trained to crime—science and civilization declared to be the enemies of the national Exchequer—and rewards paid from that Exchequer to make man the deadly enemy of his brother man. But even this is not yet the conclusion of the catalogue.

SECTION XIII.

THE TIMBER DUTIES, AS AFFECTING SHIP-BUILDING.

The repeal of the navigation laws has brought the timber duties more immediately before us (June 1849) than otherwise they would have been. Momentous to the industrial interests of the country—at all times oppressive and obstructive—they are peculiarly so now.

"If there be one article more than another," says Mr. M'Culloch, "of which it is important that a manufacturing nation like Great Britain, with a great warlike and mercantile navy, should have a large supply of the best quality, and at the lowest price, that article is timber. Without good and cheap timber you cannot have good and cheap ships, houses, and machinery. And yet, singular as it may seem, we burdened for a lengthened period this indispensable article with an oppressive duty; while by making the duty on timber from the north of Europe 55s., and that on timber from our North American possessions only 10s. a load, we forced the importation of the latter, notwithstanding it be, speaking generally, of an inferior quality. And, though materially modified, we regret to say, that this attempt to force the employment of dear and bad timber is still far from being abandoned: for in 1842, when the duties on Baltic timber were reduced to 24s. and 30s. a load, those on Canadian timber were reduced to 1s. But timber either is, or is not, a fit subject for taxation. If the former, it is impossible to justify the repeal of the duty on the worst species of timber; and if the latter, it is clear the duty on the best timber should have been repealed as well as that on the worst, or rather in preference to it. The truth is, that our regulations in regard to this important trade are so very absurd that they would almost make one suppose that it was deemed a matter of State policy to inoculate our ships and houses with dry-rot. This is a case in which, if principle or common sense had any weight, differential taxes would be out of the question. A duty on timber, if there is to be one, should be equal, and fixed at a low limit, leaving it to the wants of the consumer and the sagacity of the merchant to determine the varieties to be imported, and the best market whence to import them."

The Financial Reform Association pronounce against all timber duties for the reason urged against all indirect taxation. First, because the reduction of duties to a scale sufficient to admit of a largely augmented consumption would not supply the national Exchequer with revenue sufficient even for economic government. Second, because low duties require all the expensive revenue establishments which high duties require. There is the same inquisitorial interference with all mercantile transactions—the same inefficiency in the officers of the revenue to protect the honest trader—and but little more inducement to the officers for the preservation of their own integrity. But to the timber duties there are especial objections in addition to these. Mr. M'Culloch has stated one of them to be the premium on the use of bad timber. To this is now added or continued, under the tariff of 1846, a variety of duties on different sizes of the same kind, as well as

on different kinds of timber. Some sizes of the same kind are admitted free of duty, while others are charged upon a graduated scale. This is particularly objectionable; the smallest quantities of taxed sizes, on board a vessel, render the supervision and delay of the remainder of a duty-free cargo a necessity. Mistakes, losses, and fraud are inseparable; and those duties heaviest in amount, graduated in scale, and most vexatious in their operation, apply to timber for the building and rigging of ships. At all times ship-owners have been placed at a disadvantage by the duty on timber; but now that they no longer hold a monopoly, their disadvantage is such as to make the oppressive and impolitic taxes on the materials of shipbuilding unendurable.

We shall first direct public attention to the classification of ships, as regulated for insurance according to the kinds of timber used in building them.

Mr. Charles Graham, secretary to Lloyd's Register of British and Foreign Shipping, in answer to questions put by the House of Commons' Committee on the Navigation Laws, stated:

"The great object of this society is to encourage improved shipbuilding, and to assist both the shipowner and the underwriter as to insurances. One of the rules says: 'First-class ships will comprise all ships which have not passed a prescribed age, provided they are kept in a state of complete repair and efficiency; and they will be designated by the letter A.' Then there is a reference to the tables attached to the rules which determine the period of original designation according to *the materials of which the vessels are constructed*, varying from four to twelve years."

Q. "Of what timber must a ship be built to remain twelve years in the first class?"

A. "She must be built of English, African, or live oak, East India teak, morung saul, greenheart, or morra. Those timbers are supposed to be of great durability."

Q. "Are they more easily obtained in this country than abroad?"

A. "Quite the reverse. The first, British oak, is *getting scarce*, and all the rest are foreign productions." Ships built of other timber are registered first-class according to the kinds used.

By renewals and careful keeping in repair, a first-class British-built ship may be continued and insured as such until twenty-seven years old. But the best foreign-built ship, with such renewals and repair, can only be continued and insured as first class up to sixteen years old. The difference of value arises chiefly from superior workmanship. The timber might be the same in both cases.

Thus the shipwrights, builders, and owners have a manifest interest in obtaining the free introduction of all kinds of timber. Nothing leads to a preference of the foreign-built ship but the cheapness of the material of which it is constructed, and the lower cost of its construction. Give our builders the timber duty free in British ports, and, with the advantages of superior fastenings, fittings, rigging, and the like, they would build ships for the world. The Secretary to Lloyd's was asked if their classification was generally considered amongst shipowners as a fair certificate of the selling value of a ship, and answered:—

"Certainly; the character given of ships by the society now, from the deep root which the society has taken, determines the value of ships in a great degree. We know that where a man contracts to build a ship of twelve years, if she is put into the class of ten years, the owner requires an abatement from the builder in proportion to that."

From this it is clear that the classification in Lloyd's register is generally admitted. It, therefore, follows that if the same kinds of timber used by British builders and foreign builders give ships of a relative value of twenty-seven and sixteen years, the British shipowner (though permitted, by the repeal of the navigation laws, to purchase foreign-built vessels) has a premium in favour of British-built vessels of eleven out of twenty-seven years. This, however, can only become a practical benefit by free trade in timber.

It is elsewhere stated, by the secretary to Lloyd's, that if a ship were built in any foreign country, of the same materials, and exactly in the same manner as one in Britain, she would be classed the same in the register. This is an additional proof that it is not because the ship is foreign, but because the foreign ship is inferior, that she is classed low. He was asked:—

"Have any material advantages, in your opinion, accrued to shipbuilding in this country by the reduction of the timber duties?"

And answered:—

"I believe there have; and I may here mention a very curious fact, which came to my knowledge yesterday, from our surveyor at Sunderland, who undertook to prove that he could import Dantzic oak, for instance, and build a ship at Sunderland cheaper than they could build a ship at Dantzic. I have no objection to give his name. He is Mr. Brunton, Lloyd's surveyor at Sunderland."

Mr. Richmond, of Newcastle-on-Tyne, representing the shipowners of that port, before the committee, stated his belief that shipbuilders had derived no benefit from the recent reduction in the timber duties. He alleged that the difference had gone into the pockets

of either the "foreigner" or the importing merchant. The reduction being small, this might possibly be true. If true, it is not an argument, as Mr. Richmond intended it to be, that reduced duties do not benefit the home consumers; it is an argument against the petty changes in duties which only disturb the public expectation and the revenue collectors without yielding any corresponding benefit. The time for petty changes has gone by; or if they be still proposed in financial budgets, the time to be deceived by them belongs to the past.

Mr. Samuel Browning, who stated himself to be connected with New South Wales, with almost every branch of business in the Pacific trade and East India trade; who had resided in France, Holland, Germany, Portugal, and almost every part of the United States, and who had formed a personal acquaintance with all the ports of China, the Phillipine Islands, and had resided at Singapore, gave very decided evidence on the advantages to be derived from the abolition of all duties on shipbuilding materials. He was asked:—

"Do you consider that British shipbuilders and British shipowners would have any cause of fear from the repeal of the British navigation laws?"

And replied:—

"I think before the navigation laws were repealed, it would be quite necessary to reduce the duty upon all materials used in the construction of ships—such as timber, copper ore, and old foreign copper sheathing for melting, foreign ores, and stamps upon marine insurance of all kinds, insurance duty and light dues. If you repealed every duty upon the materials of construction, I think we should have an aggregate of advantages which no foreign shipbuilder has. We have the advantage of cheap copper, iron, and coal; and also in regard of every article used in the equipment of the ship—rope, sailcloth, anchors, cables, tools, and things of that kind."

The increasing scarcity of shipbuilding timber in Britain, and its inadequacy at all times to supply the demand, render facilities for an enlarged supply more urgent than ever. Though Mr. Browning's suggestion, that the duties on marine materials should be repealed before the navigation laws were repealed, has not been the policy pursued, it is the more forcible in favour of an early free trade in timber now.

In allusion to the combination of shipwrights in the port of London, by which they opposed serious obstacles to the extension of shipbuilding, he stated that, through the abolition of the navigation law:—

"I do not think there would be a reduction of the demand for their labour. I think there would be an increase of demand; I believe that reducing the cost of the material of which ships are constructed would enable many persons of smaller capital to go into the ship-building trade. I think it would extend the ship-building trade altogether. The particular duties of which I complain are the timber duties" (and he then enumerated the others already named).

Another question and answer, which are worthy of present notice, seem, at first sight, to refer only to the navigation laws; but they have a wider range.

Q. "As you have been connected with almost every branch of trade, can you give instances of practical grievances which result to you in carrying on your trade from the navigation laws?"

A. "It tells very much in regard of timber; there are many foreign vessels that return to Europe in ballast, which, if they had the opportunity, would avail themselves of it to bring cargoes to England."

The removal of the navigation obstacle to such return cargoes is but one step in the direction of common sense and a cheap supply of timber. The duties remain. The foreign ship with such a return cargo may have that which is duty free, with a chance quantity of that which bears a fixed duty, or that which bears a variable duty. The adventurer in such a cargo may do wrong; the hazard is too great; he will not run the risk of the English custom-houses. He would run the risk of pirates in the unfrequented bays where the best timber of Africa or the Indian Isles may be obtained. The enemies of honest commerce afloat or ashore would not deter him from rummaging the farthest nooks of the known world to obtain those commodities so much desired in Britain, but he would not dare the risk of our revenue officers in our own harbours.

Mr. Browning having stated that the object of the navigation law being to "encourage British seamen and other things, but that the effect of it was to increase freights," was asked:—

"Do you consider that those increased freights are a just compensation to the shipbuilders for the duties which they pay on the materials used in the construction of their ships?"

And he answered:—

"No, I think not. I think the increased freights are the greatest drawback that the shipbuilders can have, because the freight enhances the price of all their materials."

Q. "Is it your opinion that the navigation laws should be repealed, whether the timber duties be repealed or not?"

A. "I think the navigation laws should be repealed, whether the timber duties are abolished or not; but that to give the shipbuilder in this country a fair field, you ought to repeal the duties which press upon the articles employed in the construction of ships."

After Mr. Browning had stated those opinions, his examination was taken up by Mr. Liddell, on behalf of the Newcastle and Sunderland shipbuilders, with a view to elicit from the witness that the builder must have an interest in the shipowner's receipt of high freights. At last Sir Robert Peel, as a member of the committee, took up the examination. The answers are but repetitions of what we have already quoted from this witness, and, so far as he is concerned, might be passed over. But the form and spirit of Sir Robert Peel's questions are indicative of his views on the timber duties. Let public opinion be expressed against them, and Sir Robert Peel is ready to pronounce public opinion. He is evidently ripe on the subject of timber. Observe the form of his questions:—

1220. Sir Robert Peel: "Has not the shipowner an interest in being able to build a ship cheaply?"—"Decidedly."

1221. "Supposing there is a heavy freight on foreign timber, is that an advantage to the shipbuilder who is not concerned in the shipment of that timber?"—"Certainly not; it is a great misfortune to him."

1222. "Supposing there is a heavy freight upon copper ore, has the manufacturer, independently of the shipowner, who does not trade in copper ore, any benefit from that?"—"No; it damages his interest."

1223. "Has not the shipowner an interest in having low freights upon all articles that enter into the construction of ships?"—"Yes."

1224. "Is it not impossible, therefore, to conclude, universally, that shipowners are interested in high freights?"—"Certainly."

1225. "Must there not be an exception made in the case of every article which enters into shipbuilding, unless it so happen that the shipowner is interested in the freight of the particular raw material?"—"Yes."

Neither shipowner, nor builder, nor any person interested, otherwise than as the Chancellor of the Exchequer is interested, derives benefit from the duties which enhance the price of shipbuilding materials. The question is at last narrowed to this simple inquiry, "How is the Exchequer to be supplied with necessary revenue if there be free-trade in all the materials of manufactures and food?" The Financial Reform Association answer—by direct taxation. Let commerce, capital, and industry, be free. They will act and re-act expansively; extending with their freedom of action; augmenting the means of the tax-payer by the same operation which shall reduce the necessity for high taxation. Sir Robert Peel is satisfied that on principle all materials of manufactures and the sustenance of life should be free, if the taxes could be spared. He has already taken the initiative in direct taxation. His income-tax, it is true, is partial, and, being so, is the source of much oppression and some fraud. The Association undertake to educate public opinion until it pronounces that all trade, all commodities under heaven, shall enter our warehouses free. When public opinion is thus educated, Sir Robert Peel will be as ripe for universal free-trade as he was on corn, or as he shows symptoms of being on timber and copper ore.

SECTION XIV.

INDIRECT TAXATION FURTHER CONDEMNED BY THE OPERATION OF THE TIMBER DUTIES.

Resuming the question of indirect taxation upon timber, we again refer to its disadvantageous effects upon shipbuilding.

Relative to the construction of ships, Mr. M'Gregor, of the Board of Trade, stated before the committee on the import duties, 15th July, 1840:—

"My opinion is, that the differential duty upon foreign and colonial timber is exceedingly injurious to the manufacturing interests, and indirectly to our navigation, inasmuch as we are prevented from supplying in return those foreign nations with our manufactures which they would take in about the same proportion in which we took their timber, or their other productions which they may have to give us. * * The differential duty obliges shipbuilders and others who use timber to pay a high price for an inferior article."

And on the 9th of March, 1847, Mr. M'Gregor stated before the committee on the navigation laws, that although the duty had been reduced on all timber and abolished on several sorts—

"There are circumstances connected with the construction and strengthening of British ships, which, to a certain degree, still exist; for example, the duty upon timber and the duty upon copper ore, which amount to serious items in the fastenings of British ships, would necessarily require to be done away with (in the event of the repeal of the navigation laws), that is, in fact, the charge upon all raw materials for the construction and equipment of British ships."

Q. "You consider that the English ship labours under a disadvantage in competition with a foreign ship, as regards the cost of the materials of which she is composed?"

A. "Yes; and I consider, also, that British ships now in existence have been constructed at a larger expense than they should be constructed at, in consequence of the previous duties and previous imposts which were laid upon the materials of construction."

Mr. M'Gregor has since become the representative of the great manufacturing, mercantile, and shipowning constituency of Glasgow, and is looked to as an authority on all questions such as that which we now discuss. He said in 1847, "If the protection be removed from shipowners, all duties must be removed from the materials of which ships are constructed." That protection has been removed in 1849. Mr. M'Gregor will, consequently advocate the abolition of the timber duties, and the other restrictions of which complaint is made. But what of the revenue? The Chancellor of the Exchequer must maintain the integrity of the nation in meeting the interest on its unfortunate debts; and the machinery of Government must still derive its motion from taxation. Where is the revenue to come from if those duties and others less oppressive be abolished? Only from direct taxation. Mr. M'Gregor has expressed an adverse opinion to it. By the necessities of his own political logic he has left himself no choice of policy. To *direct taxation* he stands committed by his advocacy of freedom to the materials of manufactures, ships, and the sustenance of life.

He was asked by the Navigation Committee,

"Do you believe that if foreign ships had been allowed to compete freely with English-built ships, that competition would have had the effect of improving the build of English ships, and lowering the expense, and increasing the number of English ships?"

And he replied,—

"Yes; I am of opinion that competition would, as experience has taught us in respect to competition in manufactures and every other, improve the naval construction of ships, would enable us to build ships at a cheaper rate; and I believe that those combinations would lead us to increase the number of our ships and to extend our carrying trade."

Mr. M'Gregor also stated that the only countries in which ships have been more cheaply constructed than in England were Prussia, Sweden, and Norway, and there only nominally cheaper. He believed that in those countries where ships are built the cheapest they cannot be constructed or navigated without taking capital from some other country to do it. He said—

"I believe that a great portion of the capital which would be employed in the construction of ships in Norway and Sweden to compete with ours, would, when the navigation laws were repealed, (as is now the case,) be the capital of British subjects in this country, and not capital belonging to Swedes and Norwegians. In that case you would merely employ British capital as you now employ British capital in constructing ships abroad which are owned by British subjects in other countries in order to evade our navigation laws; the ships are now *de facto* the ships of British subjects who enjoy the trade [referring to deals between Dantzic, Archangel, and England] as much as they would do if you were to register those ships as British ships. We have gone into that question [at the Board of Trade] with considerable care."

Evidence of this kind suggests the thought, before it is well weighed with other facts, that British subjects having sent their capital abroad to build foreign ships before the navigation laws were repealed, they will continue to do so, and to a far greater extent now that foreign ships are admitted to competition with British ships. But the contrary would be the fact if they were allowed to bring the timber to Britain free of duty; because there is the advantage of superior and cheaper anchors, chains, and other iron work, copper sheathing, sails, cordage, and fittings, in Britain.

Mr. Tottie, the Swedish Consul in London, gave the Navigation Committee information on this point. He was asked,—

"Supposing a ship, built in Sweden or Norway, to be copper fastened, or only copper bolted, from whence would they derive their supplies?"

And answered,—

"The copper bolts they would most probably take from here, but if the ship was intended to be coppered, she would, in all probability, be sent here for the purpose."

To this it may be objected that the ship would still be built in Sweden, to the disad-

vantage of our shipwrights, and would not be coppered until she came to this country on her first voyage with a cargo. But listen:—

Q. "Will you state what the cost of the hull of a ship adapted for the timber trade, built in Norway, is?"

A. "In Norway, they have of late years commenced quite a new system of shipping; formerly they used to build their vessels very cheaply, and in a very inferior manner, whereas now almost all the vessels built in Norway, of late years, are built of oak, and in a very expensive way, comparatively speaking. I have before me the case of a Norwegian vessel of 541 tons register; I have the captain's authority for saying that the anchors, chains, and the whole of the iron work for this vessel were bought in London, of Browne, Lennox, and Company; the cordage was imported from Amsterdam, and the sails, or sailcloth, from Scotland."

Having instanced some other ships similarly fitted with anchors, cables, and rigging from England, the Swedish Consul was asked,—

"Do you know whether there is a great export of stores, anchors for instance, from this country to the north of Europe?"

And he replied,—

"I repeatedly see vessels clearing out from this country; the masters of Swedish and Norwegian vessels are obliged to come to my office, and I repeatedly see anchors and chains going out from here. As a proof of the immense quantity that goes out from this country of anchors, and chains, and ironmongery, I may state, that a British anchor-smith, in London, told me, three or four days ago, that he himself had been in the habit of shipping, to the north of Europe, to the extent of £50,000 a year. * * * The Swedish shipowner would prefer to have his anchors, and chains, and sails from this country—the fittings can be procured much cheaper in this country than he could procure them in that country."

But there is a duty on those articles, when imported into Sweden, which restricts their use. As there is a restrictive duty on Swedish and Norwegian timber in Britain, the Swedish Government excuse the burden imposed on their own shipowners by that fact. They have, however, intimated their readiness to meet the free-trade legislation of the British Government, by removing the duties on anchors, chains, iron and copper work, sails and cordage, if we would admit their timber free of duty. As it is, the Swedish Government, to encourage the consumption of their timber by foreigners in shipbuilding, allow a drawback of all the import duties levied in Sweden on those articles used in the fitting and rigging of a ship built for foreign owners. This is an additional reason why the duty on Swedish and Norwegian timber should be promptly abolished. By the repeal of our navigation laws our shipowners may build vessels in Sweden, and naturalize them in this country; while, by the long-established policy of Sweden, they will be allowed to carry all anchors, chains, sails, cordage, and other fittings, into that country for such ships free of duty. But, if allowed, the policy of our shipowners would be to import such timber as they might find suitable, and build and fit out their ships in British dockyards.

Mr. John Mitchell, for many years a merchant at Leith, and Consul there to the Belgian Government, gave valuable evidence on this question before the Import Duties Committee. He said, "the duty both on oak and fir timber was oppressive and extremely injurious to the most important manufacture of this country, namely, the manufacture of ships." Since then the duties have been twice altered and reduced; but they still operate as a premium on the use of inferior timber, and a severe restriction on the oak and pine of those countries which are in the best condition to be our rivals in shipbuilding, Prussia, the Hanse Towns, Denmark, Sweden, and Norway.

Another obstacle to the introduction of Norway timber, such as might be extensively used in boat-building and for small vessels, is the custom-house measurement by callipers. The Norway timber does not admit of being squared, as that of larger and freer growth is squared. Mr. Mitchell was asked:—

"You have stated the proper measurement to be by string; will you explain what is meant by that in opposition to the mode of calliper used by the custom-house?"

And he explained the practice, which is but too well known to all importers of timber, a practice which is adhered to by the custom-house in the face of continued remonstrance.

"The Government officers apply a brass measure, with four sides, called callipers, to the outside of the middle of the log, taking the whole length. They take the centre of the log, and apply this brass measure to it, and however lean the log may be (when I say lean, there are particular parts of the log which go in, and there are particular parts of the log that are cut off—it may not have been properly squared), they take that centre part as the criterion by which they measure the whole of the log, and, accordingly, we pay for empty space, or for wood that we do not get. * * I had, by way of sample, an importation of forty-eight pieces of oak from Rouen; the duty demanded of me was for 2,557 feet. I objected to this, and sent a sworn measurer to measure the cargo, to give me the exact solid contents of it, and he found that there were only 1,850 feet instead of

2, 57 feet, making a difference against the merchant of 707 feet. It was owing to its having been unequally sided, and being measured with a measure totally different from the proper measure which ought to be applied."

Mr. Mitchell, after much delay, and loss, and harassing controversy, obtained some success. The officers at last consented to measure some of the logs by string and some by calliper, and the quantity was reduced; but still leaving 311 feet against the merchant, which was timber not in existence, but upon which, after all his loss by delay, he had to pay duty. That timber was French oak, and was required for shipbuilding.

Q. Are you able to state how the duty affects the wages of ship-carpenters and others who are employed in working up timber?"

A. "I should think it drives a number of people out of employment who would otherwise be employed either in building houses or in building ships. * * * The duty and the mode of measurement form a very grievous tax. * * * Most unquestionably the duty prevents (or is a hindrance to) our competition with the shipping of the world, which otherwise we should be able to carry on. It drives the capital which would be employed in English ship-building to ship-building abroad. * * * If the duties were equal, each individual consumer would be able to take that which, in his opinion, was the most valuable and the best suited for his purpose."

In complaining of the differential duty which favours the importation of the inferior timber of America in preference to the superior timber of the Baltic, Mr. Mitchell was told by a member of the committee, in form of a question, "That the tax, though it is called a tax, is virtually no tax at all, for that in consequence of the increased distance which the timber has to be brought from America, the duty is diminished to meet the extra charge occasioned by that distance;" and he answered in these words: "I would say that it was very cruel in a legislative body to compel the merchants of this country, or the consumers of any article, to go ten times the distance for an article of much inferior value, charging the highest duty on a much superior article."

This is an answer to the fallacy involved in the words which form the question: "we are compelled," he says emphatically, "to import the American timber; while, if we were not so compelled, the great importation would come from Norway and the Baltic."

But this is to be understood in a more qualified sense. It may be doubted if less timber would come from America if our ports were open to the Baltic importations. A great portion of the Baltic timber would be used where none is used now, and its consumption would increase the uses of American timber. We shall see this more clearly when we come to the subject of housebuilding. But even in shipbuilding the effect of a free supply of strong timber for hulls would, by extending the manufacture of ships, call the finer qualities from America into requisition.

Mr. Mitchell stated that from his personal acquaintance with the forests, from which we might get supplies for shipbuilding, they were so extensive that no rise in price need be apprehended; but that from the continual demand for English oak, and its scarcity in this country, the price was raised, and would go on rising. This elicited a very important truth, which cannot be too generally known—which cannot be too seriously reflected on. He was asked did not the duties, therefore, act as a protection to English-grown timber, and answered no; that, on the contrary, by raising the price they afforded a premium for the destruction of English timber, by drawing it into the market before it was full grown. The quality of British oak is becoming of less value, intrinsically, through this means. He also stated,

"There is a better selection on the continent; there is a more abundant supply and a better choice. Here the best wood is taken up for naval purposes."

And to this we may add, that, from the restrictions on foreign timber and the enhancement of price, the expense of the royal navy to the tax-payers is very much greater than it would otherwise be. Viewed on every side the indirect taxation on timber is pernicious. Mr. Mitchell continued:—

"The duties not only increase the price, but limit the choice of that timber which otherwise we should have for shipbuilding. The greater part of the foreign oak is cut in the fall of the year, and I believe almost all, if not the whole, of the English oak, is cut in the spring, with all the sap in it; and it has been ascertained, at least it has been asserted, without contradiction, that the cause of dry rot is owing to the sap being in the oak wood when cut down in the spring, which is done principally for the sake of the bark; great part of the foreign timber is cut in the fall of the year."

At the time of giving that evidence the question of abolishing all timber duties had not been mooted as a practical proposition, but Mr. Mitchell said to the committee, "that, in the event of timber being admitted *free of duty*, he should contemplate the possibility (on account of the superior build of British ships) *of foreigners coming to purchase ships in this country.*" Others connected with the timber trade have more recently declared their belief that, with a free trade in the materials out of which ships are constructed, we may build them, less or more, for every country in the world.

There remains to be considered some important evidence on the improvement which might be effected in fishing boats, and the very great extension of deep-sea fishing, by the use of a superior class of boats. Also, the effect of the timber duties on housebuilding.

SECTION XV.

THE CONSTRUCTION OF FISHING BOATS: A SUPPLEMENTARY SECTION ON THE EVIL OPERATION OF THE TIMBER DUTIES.

How often do we hear of the neglect of the Irish fisheries; of the Irish seas abounding in fish which no one adventures a line or a net for; of a people swarming on land as the fish swarm in the sea, all ready to devour one another, the strongest living longest, all crying for somebody else to feed and help them! How often do we see the example of the English and Scottish fishermen, who venture to the ocean in open boats, held up to the sea-coast population of Ireland. But how often do the newspapers appal us with the intelligence of storms which suddenly rose while those open boats were at sea, of the loss of nets which they had to cut and abandon in the desperate hope of saving the fragile boat, and the human life which partook of the frailty of the timber-taxed vessel in which it was embarked; of the loss of that human life; of fatherless families and widows bereaved; of their looking in vain for the return of the wreck of boats, nets, or dead bodies from that sea which had swallowed them up remorselessly and unconscious of wrong, as the national Exchequer swallows up remorselessly, and we hope unconscious of wrong, the taxes on timber, but for which those undecked boats might not have been swamped.

How often do we read of those disasters! Yet it is known to persons who have engaged in the fisheries, or have lived among the fishermen, that the losses of nets, through the inability of the boats' crews to keep the frail vessels at sea, and the loss of life by cold—the undecked boats not admitting of dry clothing, food, or fire,—or by the swamping of the boats when filled by some breaking wave; it is known to such persons that those losses far exceed all that are reported in newspapers. They occur often without witnesses, and always among a people who read little and write less. If the boats be in a fleet at the herring fishery, and a storm comes over them and loss ensues, that loss may be reported. But by far the greater number of lost boats and drowned crews are those engaged in detached parties or solitary adventures, remote from towns and unknown to the caterers of news. Those who hold up to the Irish sea-coast population the Scottish and English open-boat fishermen as examples to be imitated, little know the terrible penalties paid in life and property by these adventurous men of toil. It is one thing to write of their example while the writer sits in an easy arm chair, and quite another thing to know, from experience, the perils and expense of following their example.

But while it is true that they continue in the face of those losses to follow the fishing trade in their fragile, incompetent boats, and bring up their children to the same profession, it is not less true that, but for the impolitic timber duties, which admit timber free, or almost free, which is of no service to them, that which is peculiarly fitted for the construction of a superior class of boats is not permitted to reach them but at a price which their earnings cannot afford to pay. The Irish fisheries will never be successfully prosecuted until there is a class of vessels in which to brave the wild waters of the Atlantic, superior to the wretched craft the Irishmen now float in when the weather is fine, and superior to the craft hardly less wretched which is common in Scotland and on the eastern shores of England. The Irish have not become naturalised to the sea, as the descendants of the Danes and Norwegians—the Scandinavian sea kings, sea robbers, or sea rovers, have become naturalised on our eastern and northern shores. From the difficulty of getting cheap materials for their boats, the latter have not extended their fishings in accordance with the advancing requirements of the inland population, yet their natural hardihood still saves the fishings from absolute neglect as in Ireland. In the neighbourhood of large commercial seaports the fishing boats have been improved in construction, partly because capitalists have fitted some of them out, but chiefly because they have facilities for petty smuggling, which is more profitable than fishing.

In Scotland, and on the English east coast (except in and about the River Thames), the boats are the property of the crews. To obtain a new boat large enough for the herring or cod fisheries, they have seldom sufficient capital of their own. They mortgage their future fishings to some merchant fish-curer, who advances the money—£50 or £60, or £70.

Mr. Mitchell, in alluding to Norway timber, before the Import Duties Committee was asked:—

“ You have stated that that timber would answer for fishing boats and ships generally; are you able to state what proportion of that timber would enter into the build of a shing boat, such as is used in the Firth of Forth, or in Scotland generally?”

And he stated:—

“ I would say, at least, nine-tenths of what would be put into a fishing boat; the only thing it would not do for would be the knees, which would require to be of oak or of arid wood.”

Q. “ That would tend, very much, to lessen the expense of those boats?”

A. “ It would tend, very much, to lessen the expense of building those boats and all maller vessels, such as the boats upon canals and rivers. The Norway fir would suit hem remarkably well.”

He stated that he was acquainted with the French fishing boats, and had compared those of Scotland and England with them.

Q. “ Can you explain why the boats in Scotland and England are made so light in lumber as compared with the French and other foreign boats?”

A. “ I think it is obvious, that it is entirely owing to the very expensive nature of the material required for building those fishing boats in this country. * * * I think if he duty did not prevent it, the boats of England and Scotland would assume that solidity and strength which we find in foreign boats. I should like to add, that our fishermen are now beginning to proceed further out into the ocean in search of fish, not only herrings but cod, and they require much larger boats. They have been accustomed to go in small open boats. Now, if the duty were lowered (or abolished) they could build the arge-decked boats at the same price as they now pay for those small open dangerous fishing-boats.”

Q. “ Do you mean to say that the boats which have, heretofore, been made slight, in consequence of the high price of timber, would, if the duties were lowered, be made so as to be suitable for more distant voyages, as the French and other fishing-boats are now made?”

A. “ I certainly make that deduction.”

Q. “ Do you believe that our fishermen, at this present time, decline often to go to any distance from the shore in consequence of the slight make of their boats?”

A. “ It would be impossible for them to go any distance, because they have no convenience either in regard to shelter, or in regard to placing their food so as to protect it from the wet. * * * They have not the means, I am afraid, of making their boats fit to go longer voyages.”

The Financial Reform Association have received a statement on this subject from a correspondent experienced in the fisheries of the eastern coasts of Scotland; they make as many extracts from his communication as present space allows:—

“ Few people living apart from the fishers can form a correct opinion of the evil operation of the timber duty upon them. An ordinary herring boat, for a crew of seven or eight men, costs £60 at least. It may last, with repairs, six years. It is not then worn out by service, so much as it is by casualties arising from its imperfect construction. I include, also, in this average duration, the total losses of boats, where, generally, the crews go to the bottom with them. Several immediate causes of a short existence to the herring boats may be named.

“ The quantity of timber used in the construction of the boat is insufficient for strength.

“ The high price of timber prevents the decking of boats.

“ The want of decks makes the crew run prematurely to the shore to escape being obliged to take to the open sea during the whole duration of the storm, and for an unknown period after the storm, in regaining their haven or own coast.

“ In running prematurely for the shore, to get in while the sea is not yet excessively rough, they get swamped, or run foul of one another, and are stove in, and fill and sink.

“ In making preparation to haul their nets before running for the shore, if the object be to escape an impending storm, they get foul of one another, and the nets are in like manner fouled: the crews in such a case fight with one another, and, if they reach the shore in safety, renew their warfare there. If the gale rises under such circumstances, the nets must be cut and abandoned. The nets of one boat will be probably worth £40, or from that to £60.

“ One crew, to extricate their own nets in the absolute necessity of making to the shore to save their lives, cuts the nets of another crew which may have fouled with theirs; hence there is more battling, and not unfrequently, from this cause alone, the boats are stove in, and one or both goes to the bottom; the survivors, particularly the women and children, of the different crews so warring about cut nets, take up the battle ashore when they hear of it, and fight it out, without much regard to the rules of fair play.

“ Now, if the herring boat was built of timber free of duty, it could be made larger, of greater strength, and be decked for the same price that it now costs. Such a boat would last, with fair play, that is, it would withstand common wear and tear, with occasional

repairs, probably twelve years. But, in addition, it would be much less liable to foul play: on the approach of a storm the crew would have less apprehension of being compelled to take to the open sea in case of the shore being inaccessible. There could always be extra clothing, dry provisions, and the means of lighting a fire (when the storm abated) on board such a boat. Nor would there be the apprehension of being swamped in making for the shore among breakers, as in the case of the open boat. Consequently there would be much less entanglement of boats and nets—probably no necessity to cut the nets—no £40 or £60 per boat lost in the abandonment of nets—no fighting, stoving in, nor going to the bottom while fighting about the nets—no avenging of the men's quarrels by the women and children ashore. All might be done more leisurely, safely, and agreeably with a superior boat; and that boat might be, would be built, if the timber required for it came into the country duty free."

It would thus appear that the moral, as well as the physical, properties of the fishermen would improve with a cheaper and better material for their boats. Our correspondent says that they might then be able to insure their boats and nets, a process of economy unknown to them at present. He says:—

"There is another view to be taken of this subject of improving the fishing boats, and it is one which the public will not fail to see and comprehend when presented to them. The railway system of locomotion has connected the inland population with the sea-coast. Fish may be delivered in any town in the kingdom as fresh as from the fisherman's boat, limited in quantity only by the number of fishermen, the quality of their fishing apparatus, and the number of times they go to sea within any given period. If they do not very greatly increase the supply of fish, the demand will very greatly increase its price. This article delivered always good, augments its own sale, by attracting to it the public taste. Already its price is permanently increased in all the sea-ports and sea-side villages; but the fishermen cannot greatly enlarge their supply unless they have a superior class of vessels. It is easier to speak of capitalists going into the trade to provide boats and employ the crews at wages, than it is to get the fishermen to join them; the latter prefer the independence of manning their *own* boats, of fishing where and when they choose, to being hired. They contract, readily enough, with a fish merchant to sell on shore what they take at sea; but it is in vain to look forward to the adventurers of the sea—costs of Scotland and east of England hiring themselves to go out as the crews of a merchant's boat. What, then, is to be done with them, and the growing demand for fish? They cannot go to the deep sea cod-fishing in their open boats in winter, and in summer the herring attracts them. It is only in the advanced spring or late autumn they venture to the deep sea in open boats, and then only when the weather is well settled. To supply the growing inland consumption it is clearly the natural policy of the State to permit them to provide themselves with a larger, stronger, and better-fitted class of boats; and this can be done by the abolition of all duties on foreign timber."

It was publicly notified, a few months ago, that the Earl of Aberdeen, lamenting the destruction of life and property on the east coast of Scotland among the fishermen, had provided a barometer, and fixed it in a prominent place, to teach them the signs of approaching storms. The intention was, doubtless, kind on the part of Lord Aberdeen, but he would have served them infinitely more had he used his legislative influence to procure cheap timber for them to build better boats with. Their loss arises less from their inattention to the signs of coming storms than it does from their fear of coming storms; afraid to be driven to the open sea in open boats, and in too great a haste to draw nets or lines to run for the surfing shore—those are the causes of their loss.

And so INDIRECT TAXATION, as levied on timber, again stands condemned.

The Tracts may be had at the Office, 26, North John-street, Liverpool, and from SMITH, ROGERSON, and Co., Lord-street; and Sold by all the Booksellers. LONDON: The Trade Supplied at the Office of the *Standard of Freedom*, 335, Strand, and by SIMPKIN, MARSHALL, and Co., Stationers'-hall Court; GEORGE VICKERS, Holywell-street, Strand; EFFINGHAM WILSON, Royal Exchange; H. BINKS, 85, Aldersgate-street; CHARLES GILPIN, 5, Bishopsgate-street; JAMES GILBERT, Paternoster-row. Dublin, by GILPIN, Dame-street. MANCHESTER, ABEL HEYWOOD. Edinburgh, J. MENZIES, Prince's-street.

FINANCIAL REFORM TRACTS.

No. 20.

EVILS OF INDIRECT TAXATION.

(Continued from No. 19.)

SECTION XVI.

THE TIMBER DUTIES AS THEY AFFECT HOUSE BUILDING.

The timber duties now fall under consideration as affecting house-builders, and the labour employed in building; house-owners and house inhabitants.

The practice of house-building now is, that if a rich man has a villa, or mansion, erected for his own use, with the view of its being inhabited after him by generations of his own race, the timber used is that of superior quality from the Baltic, except, perhaps, small quantities of North American for mouldings. Nor is the article of timber used with stint. Durability, substantiality, and the domestic comfort which those qualities secure, are his study.

If a man who is not rich, has a house built for him, of such a kind as the members of building societies are now erecting, or of such a kind as the working and trading population of our towns inhabit, or of such a kind as our villages are composed of, excepting, perhaps, the parsonage-house; or if the builder runs up rows, or streets of dwelling-houses on speculation, such as the small capitalist makes purchase of at a low price for investment in rent, and such as the industrious classes of society are obliged to inhabit because they can find none other, or none better, near their employment, the timber used in their construction is that imported from the North American colonies. It is neither durable nor substantial, nor is it used in quantity sufficient for solidity of fabric.

Duties of any amount on any kind of timber available for building, increase the price of all kinds, and restrict its use. That is a first effect.

Duties which are differentially imposed, as on colonial and foreign timber, give a premium on the use of the inferior article of the colonies; and the inferior article is used to the entire exclusion of the substantial article in common dwellings and shops. That is a second effect.

The use of an article of such importance to the substantial construction of a house as timber, in quantity less than strength and solidity require, and of quality which is durable only for a very brief period of years, subjects the inhabitant, who has no choice but to live in such a house, to endless discomfort. That is a third effect of the timber duties.

The last objection to the tax, which encourages the erection of inferior houses, grows in magnitude as we examine it. The quality of a house does not govern its mercantile value as quality governs value in other commodities. Supply and demand do not operate on the price of houses as on the price of other commodities. If there were such a demand for boots and shoes in a certain town—Manchester we shall say—that the local shoemakers could not furnish the supply, the natural law of trade would at once operate so as to bring shoes from Northampton or elsewhere, or shoemakers from every part of the kingdom. Demand would thus induce supply, and prices would be restricted to the cost of leather, wages, and profit on the master shoemaker's capital. And so with almost every other commodity or convenience of human necessity, except houses. If in Manchester there arose a great demand for houses, neither Northampton nor any other town could furnish a supply; nor could any number of workmen brought from other parts of the kingdom do so. The houses, for the vast multitude of workers and for minor tradesmen, must be situated not farther from factories, foundries, workshops, warehouses, or sale shops, than a half hour for breakfast, or an hour for dinner permits. The ground is already occupied, and no new supply of houses can be provided within the limits where they are requisite. The inhabitants, therefore, crowd together to be within reach of their work. Many become lodgers, and pay high lodging rents to the householder. The houseowner obtains a high rent from the householder, and the price, or mercantile value of the fabric and timber, is enhanced by its local situation, not by its quality of construction.

Thus the person who invests capital in house property derives from the growth of towns a monopoly, or protection, which, over a period of years, gives him an increase of rent in proportion as the fabric of brick and timber decays and loses its intrinsic value. If bad leather be put into a man's shoes, or bad flour into his loaf, or sloe-leaves into his tea, he may go to other shops, and, by so doing, teach the shoemaker, baker, or grocer, to be honest; but, for the reasons just specified, if bad timber, and too little even of the bad, be put into the fabric of his dwelling, he cannot go to another builder or landlord.

In short, the timber duties lead the builder and houseowner to use bad timber, and to become accustomed to the use of too little of it, while the necessities of local situation protect them from the consequences which, in other trades and manufactures, correct the appliance of inferior articles.

Mr. Mitchell, the Leith timber-merchant, whose extensive acquaintance with the trade afforded so much useful information to the Import Duties Committee, said, in respect of house-building,—

“ I am aware that in our manufacturing towns [he might truly enough have added our rural villages] the inhabitants are living in the most wretched and miserable dwellings, extremely injurious to health, not only of the individuals themselves, but of the whole community. I have no doubt that if building materials were cheaper the dwellings would improve. When I have resided in Norway, I have observed the dwellings of the poorer classes there. They are far superior to the dwellings of this country. It is entirely owing to the cheapness of wood. They are very comfortable and durable. It is not the practice in Norway for a number of families to live in one dwelling.”

Q. “ In proposing to favour the importation of Norway timber, you do not propose to exclude timber from any other ports ?”

A. “ By no means.”

Q. “ You are desirous that we should procure the best article from the places where it is best produced ?”

A. “ Yes; at the lowest price.”

Q. “ Are there not some descriptions of wood that we should always import from North America ?”

A. “ Yes; we have now got accustomed to finish the insides of our houses with American timber, and I have no doubt that a considerable proportion of the British timber ships would be continued in the trade.”

Q. “ American wood is particularly suitable for that purpose ?”

A. “ Yes: for inside finishing; so that it is very possible *we might have a considerable additional consumption of American timber*, in consequence of there being greater facilities in building houses by having Norway wood. If both kinds of timber competed freely, *it would enable the carpenter to consume the one kind with the other.*”

When the duties were higher than they have been since 1846, cargoes of Memel timber were sent from the Baltic to North America, and re-shipped to England as American timber. This fact, attested by several witnesses, is proof that if the Memel could be obtained as cheap, or nearly as cheap, as the other, its superior quality would recommend it to common use.

Mr. Mitchell also stated that he had been offered, by a correspondent in Norway, to have the very finest fir timber laid down at Leith at 8½d. a foot, including prime cost and freight. This timber, he said, was peculiarly applicable to agricultural purposes and to house-building.

But, in addition to the duty, there was the mode of measurement by the customs officers, which was peculiarly unjust to the importer of Norway timber, because it was not squared as trees of larger growth are. It was this mode of measurement for duty which practically excluded it. Also, there were the lengths into which it had to be cut, to bring it under certain rates of duty. This objection, however, applies to other sorts of Baltic wood.

“ I have observed,” says Mr. Mitchell, “ that when the carpenters come to buy wood from me they often object to particular lengths. They have said, ‘ We shall lose those six feet; it is very hard we should buy this particular length from you.’ I said, ‘ We cannot import anything else.’ At sixteen feet there is a particular duty, and at twenty-one feet there is another duty. We must import it according to those lengths, and they complain very much of the particular hardship of buying a piece of wood they do not require.”

And the foreign merchant must waste the timber intended for this country by cutting it into lengths regulated by our customs duties, rather than according to the size of the tree, or the conveniences of stowage. Vast quantities of timber are imported into London to be split into fire-wood. It is admitted free of duty, but must not be over a certain length (about eighteen inches). Trees of all lengths are cut down to those sizes, and spoiled for all purposes but the fire, lest some Englishman might build or repair his house with durable timber, free of duty.

The system of measurement at the customs, which tells against the merchant if logs are not accurately squared, offers a premium on the import of sawn deals and battens, which is a premium on the employment of foreign sawyers and saw-mills to the disadvantage of our own.

Persons whose misfortune it is to live in the houses which form the second and third-rate streets of our towns need no evidence beyond that of their own senses to prove that their houses shake from top to bottom with motion upon any of the floors; that in a few years the timber is rotten, and the whole fabric of walls and roof is dangerous to the lives of the occupiers. In London there are houses of a very superior outside appearance, and intended to be mansions, which are reported to be incurable from insect vermin bred from the American timber used in their construction. That timber has the same effect in smaller quantities and in meaner tenements, but the occupiers of meaner tenements have not obtained the public ear to their complaints in like manner as the occupiers of the terraces about Regent's-park.

Here are estimates for building two classes of dwellings at Ashton-under-Lyne. They are applicable to any other manufacturing town:—

No. 1.—A cottage, 8½ yards by five yards, containing two apartments and a wash-house.

Bricks, 15,000	£30	0	0
Timber, including sawing.....	10	0	0
Slates and work	4	10	0
Stone, flags, and work.....	8	12	6
Plastering, mortar, hair, laths, nails, and work	4	10	0
Iron-work and labour.....	3	10	0
Plumbing and glazing.....	1	10	0
Paint and labour.....	1	3	0
Iron-work to wood-work	1	5	0
Joiners' and carpenters' work.....	10	0	0
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	£75	0	6

To have used Baltic timber in this cottage the cost for extra pine would have been about £7; for extra labour, about £3; making a cost for this cottage of £85.

No. 2.—A house and shop, 8 yards in front and 10½ yards back.

Bricks, 35,000, including work and material in setting.....	£77	10	0
Slates, 2½ tons, including mortar, laths, lead, &c.....	7	10	0
Timber, 250 feet of pine timber, sawing, &c.....	25	0	0
Chimney-tops and chimney-pieces.....	4	0	0
Stone flags and labour.....	12	10	0
Plastering, including all materials.....	15	5	0
Joiners' and carpenters' work.....	35	0	0
Iron fixtures and fitting up.....	7	10	0
Marble chimney-piece.....	5	0	0
Plumbing and glazing, including plate glass for shop front.....	30	5	0
Paint and painting.....	13	10	0
Mahogany for shop front.....	10	0	0
Iron and brass work for joiners' work.....	2	10	0
	<hr/>		
	£245	10	0

Had Baltic timber been used in the construction of this house and shop, the cost would have been £280.

There is some doubt as to what the cost of such houses would be if Baltic timber were used in their construction, free of duty; but it is the opinion of experienced Baltic merchants that, free of duty, the North of Europe timber, including that of Norway, would be purchased at a price as much below the American as would pay the extra labour required to work it. Thus, while the prime cost of the house in labour and material would not be more, but probably less, with Baltic timber free of duty, there would be the durability and solidity of the latter to give it a preference.

But to use Norway timber (which, though less durable than Memel, is more durable than North American,) the cost, free of duty, would be about the half of that now paid for building timber. It can be imported at 8½d. per foot, and might get into the carpenter's hands, or into the cottage, at 11d., which is about the half of the price of Memel without duty.

Yet it must be borne in mind always that the enhancement of the price of the article is not the greatest objection to the duty. The argument against the timber tax, which overwhelms all controversy, is this, that it establishes the use of an inferior article, insubstantial at the best, and liable to early rotteness.

Nor is it in towns where its evil operation is most grievously felt. In most parts of England, and in the whole of Ireland, farm buildings are quite inadequate to the requirements of scientific agriculture. If agriculture, the prime source of national wealth, had advanced with other branches of industry in progressive improvement, all national interests would have been more prosperous than they at present are. The inferiority of the farm establishments, in point of machinery, barns, feeding sheds for cattle, and the like, is, in no small degree, the direct offspring of the timber taxes, which have enhanced the price of all home-grown wood, and restricted the importation of that which alone is suitable for farm buildings and machinery.

But the effect of this indirect taxation extends its mischief in the rural districts beyond the farmers' barns and sheds. In Scotland, though the farm establishment is generally of a superior kind to the English, the dwellings of the workpeople have not been improved. Excepting a few pet cottages near some landowner's park gate, or in some pet village, the sheds in which the Scotch hinds are still housed are places in which cattle could not live and thrive. It is not asserted, nor can it be admitted, that the price of timber can excuse this neglect of the decencies of life on the part of the Scotch landlords. The sheds in which the hinds of Berwickshire and Lothian live have stood probably fifty, and may stand seventy years. Their first cost, taking the average, has not been at any time more than from £15 to £20. The hinds provide a harvest shearer to the farmer, who receives no wages (except food), in payment of the house rent, or, as they term it, "shearing for the house." The average days which they shear are about twenty-four; the average wages of the paid shearers, with food, are 2s. a day. Thus the rent of the hind's house, which lasts fifty or seventy years, and costs £15 or

£20 in building, is £2 8s. a year—a per centage on prime cost which, despite the timber duties, should have afforded superior cottages.

Crossing the border, the condition of the dwellings of the farm workers is not better in Northumberland. Sir Francis Doyle, in his official report on the condition of persons employed in agriculture, in 1842, says of Northumberland,—

“The ordinary cottages contain but one room—perhaps, seventeen by fifteen feet; in point of construction and ventilation there is nothing to be said for them. We find that a whole family, father and mother, and children of both sexes and of all ages, live together, and having to sleep together in one and the same room, any degree of indelicacy and immodesty ceases to surprise.”

It should be explained, however, that both in Northumberland and the country districts of Scotland the married couple, in setting up housekeeping, furnish themselves with a peculiar kind of furniture, which may be called “box beds,” two in number, which serve as screens and partitions across the house. The cost of those two articles of furniture, with an almonry and plate-rack, is from £15 to £18; so that the poor hind, in setting up house, strives against the inconvenience of his wretched hovel, to provide for decency and due obedience to the laws of God by a struggle with the laws of man. He is compelled to pay as much money for mere timber as two or three properly-constructed bedrooms and a kitchen would require for furniture.

Let us pass from Northumberland to the counties on the opposite side of the island. The condition of the cottage, and the struggle of the cottager against indecency and timber duties, are more melancholy still. Take Dorsetshire. The Hon. and Rev. Sidney Godolphin Osborne (the “S. G. O.” of the *Times*), in his evidence (reported officially by Mr. Austin, who, like Sir Francis Doyle, was commissioned to inquire into the condition of women and children employed in agriculture), says:—

“The rent of a cottage so constructed as to enable a labourer to rear his family with attention to the common decencies of life, is far beyond what his wages will allow him to give.” [Such cottages cannot be said to be within the reach of the labourer, even had he wages to pay the rent; such houses are not built for labourers.] “To say nothing of the physical injury done to himself and family, from the want of anything like proper drainage about his dwelling, and the foul air which they are compelled to breathe, from the too-confined space of the dwelling within—from infancy to puberty, his children, for the most part, sleep in the same room with his wife and himself; and whatever attempts at decency may be made (and I have seen many most ingenious and praiseworthy attempts), still there is the fact of the old and young, married and unmarried, of both sexes, all herded together in one and the same sleeping apartment. Within this last year I saw, in a room about thirteen feet square, three beds. On the first lay the mother, a widow, dying of consumption; on the second, two unmarried daughters, one eighteen years of age, the other twelve; on the third, a young married couple, whom I myself had married two days before. A married woman, of thorough good character, told me, a few weeks ago, that, on her confinement, so crowded with children is her one room, they were obliged to put her on the floor, in the middle of the room, that they might pay her requisite attention. She spoke of this as, to her, the most painful part of that her hour of trial. I do not choose to put on paper the disgusting scenes that I have known to occur from the promiscuous crowding of the sexes together.”

Mr. Spooner, of Blandford, surgeon, states in the same report:—

“Generally the cottages are too small for the families living in them, and tend to produce and aggravate disease from the inmates living so closely together. Two years ago typhus fever occurred in a neighbouring parish, which I attend. In one cottage lived an old man with his wife, his two daughters, middle-aged women, and his son and his wife, with their children—in all ten individuals. The whole family had the fever, some of them very severely. The son's wife, with two of her children, were on a bed in an outhouse. The floor was earthen, with no ceiling but the thatch of the roof. In the same village there were more than forty cases of typhus, and the spread of the disease must be attributed to the people living so closely packed together.”

Other agricultural counties are the same. Some landowners may have a fancy farm or fancy village, which affords superior dwellings to the working people. The Marquis of Lansdowne has such a village, at Bowood, in Wiltshire. But listen to Mr. Phelps, his steward:—

“I was engaged in taking the census at Bremhill parish. In Studley I found twenty-nine people living under one roof; amongst them were married men and women, and young people of nearly all ages. In Studley it is not at all uncommon for one family to sleep in one room. The number of bastards in that place is great. A cottage lets for £3 or £4 a year easily.”

This is characteristic of all the south and west of England.

But we must stop. Many parts of rural England afford testimony against the duties on timber, and other materials of housebuilding, equally strong and condemnatory. Scotland rises in condemnation of such taxes. Ireland has neither a farmhouse, nor barn, nor pigstye, but stands with open roof and open doorway, proclaiming the scarcity and dearness of timber.

Of bricks and windows, and the taxes thereon, we shall treat hereafter.

SECTION XVII.

THE DUTIES ON BRICKS AND ON WINDOWS.

We have dwelt at some length on the timber duties, as detrimental to shipbuilding and the construction of houses, and shall glance briefly at the other taxes, which, like that on timber, lead to the erection of inferior habitations, namely, the duties on bricks and on windows. The former is an excise duty; the latter is one of the collections called the "assessed taxes." Being levied in the form of direct taxation, it would, at first, appear to be exempt from the objections urged against indirect taxation; but it is not so, as shall presently appear.

The duty on bricks was 2s. 6d. per thousand, when first imposed, in 1784; but was increased at different periods, from 1794 and 1806, in aid of the war expenditure, to 5s. 10d. per thousand. Additions have been made, higher rates levied on the finer kinds of brick, and drawbacks allowed for damages, which make the present duty to stand at, or near to, 7s. per thousand. Though this be a considerable addition to the price of a cottage containing 15,000, or to an ordinary street-house containing 50,000 bricks, the evil operation of the tax is not seen in the enhanced cost of the house. To avoid the enhancement of cost price, the house is, in many essential parts, weakened, by the absence of bricks which should be used to give it solidity. But the evil influence of the tax is more apparent when examined at the brickfield, where the article is in process of manufacture. There a certain mould of legal size must be invariably used. A builder might come and say he was desirous of bricks of different sizes, that he might build a house better apportioned, as to strength and solidity, in its different parts; but the exciseman says, "Not so; the law has settled the size of bricks, and the quality too." The builder may rejoine, "Is my experience in the construction of dwellings, and churches, and railway arches, to go for nothing? Has the world learned nothing since 1784?" The exciseman says, "Railway arches might not be known in 1784, but the law of that time has ruled what kind of bricks you are to build them of."

Next, there are the makers of the bricks. In the neighbourhood of large towns the excisemen visit the brickfields pretty regularly, to take account of the work done—perhaps once a day; but in remoter places they cannot do so, unless there were an exciseman appointed to each place of work. For this reason, villagers or farmers who would make their own bricks to build their own houses must not do so, because they have not an exciseman living beside them. They must send to great distances, where it is convenient to make the article under the supervision of the Excise. Even where the officers visit the works once a day, the inconvenience and loss to the operative at work are ever recurring. They are bound to lay their moulded clay on certain spaces, and on those only, from which they must not remove the pieces until account has been taken of them for duty. Nor must they lay more on those given spaces than the officer allows; if full, they must stop work. If rain falls, and reduces the moulded clay to mud, or otherwise disfigures it, so as to be unfit to be sent to the kiln for burning, *the duty must be paid*, though the clay be returned to the pit to be again worked up for the moulder. The lost labour falls to the operative brickmakers, while their employers lose the duty. Those accidents from weather would seldom occur if the makers were allowed to remove their bricks at any time, or lay them in any place.

In every respect the brick duty is an unqualified evil. It obstructs the operations of an important branch of industry, and ends by endangering human life in habitations to which it denied the application of a sound constructive science.*

The window duties were imposed in the reign of William III., about the time of the national debt being first contracted, and for the same purpose—to carry on the wars in which that King was engaged. Houses with fewer than eight windows are exempted. With eight windows the tax is 15s. 6d., proceeding upward until it reaches the maximum rate of £46 10s. 3d. This latter amount exempts the baronial and palatial residences of the aristocracy from bearing a share of taxation proportioned to the number of their windows. Farmhouses under £200 per annum are also exempted from window duty—doubtless for the augmentation of rent. But the question now is, not the injustice of the aristocracy laying those taxes lightly on themselves; we seek not a readjustment, but the abolition of this impost, which is at once obstructive of industry and destructive of health. By restricting the number of windows which otherwise would be made, carpenters, glaziers, painters, upholsterers, glassmakers, &c., are necessarily restricted in their avocations, while light and ventilation—first elements of existence—are diminished, and that, too, where they are most wanted. A smart house in a country village may be well lighted with seven windows; but in towns, houses (for the sake of economy in space and convenience of situation) must be on a larger scale, so that several families live under one roof. Either directly, as an assessed tax, or indirectly with the rent, to the landlord, they each pay window duty. Thus the asserted benevolence of the law, which professes to absolve the houses of the poor from this tax, by not levying it on seven windows or under, becomes nought. The poor must, for convenience of labour, crowd into large houses, which are liable to be window-taxed; consequently we see, in such places, windows blocked up to evade the duty; structures raised, without

* Since this article was first published, in August last, the Government have deemed it advisable to abolish the duty on bricks.

regard to health or comfort, to evade the duty; and, for that end, health and comfort sacrificed.

Mr. McCulloch, in his essay on taxation, seems to have no other objection to the window duties than that they are a portion of the assessed taxes, and he objects to them only because they are collected *direct* in money. He says:—

“It is obvious that the assessed taxes are as moderate as can be desired; and whatever unpopularity may attach to them, does not originate in their magnitude, but in the circumstance of their requiring a direct money payment to be made to the collectors. We have endeavoured to show why the contributors are so generally averse to such payments; and the superiority, in this respect, of Excise and Customs duties, in which the tax, being identified with the cost of the article, is forgotten by the purchasers.”

Is forgotten by the purchasers! This is one of the most pointed and resistless arguments against Excise and Customs duties. The purchasers are the tax-payers of the kingdom, and surely it is to their interest to know why they pay a price so far beyond the real cost of the commodity. To whose interest is it that they should not know what they are paying as a tax over the real price of the commodity? Only to the interest of those who spend the taxes in extravagance, and would have the public to remain ignorant of that extravagance. Were there no other argument in favour of direct instead of indirect taxation, this alone would decide the question. But there are higher arguments founded on the all-potent principles of free-trade. Not a changing of duty from one article to another, or a chopping and changing of rates of duty, or the abolition of duty on some single article, as corn—that alone is not free-trade. When we shall have neither custom-houses, revenue cruizers, nor excise; when there shall be no interference with the internal business of the country beyond what is necessary for police regulations, where every commodity produced in any country of the world may be freely entered and sold; then, *and not till then*, shall we have free-trade. To have that free-trade we must have direct taxation. They who are not for direct taxation are not free-traders.

SECTION XVIII.

ON THE EVIL OPERATION OF THE WINDOW DUTY AS REGARDS PUBLIC HEALTH.

In testimony against the window taxes, we have the owners and builders of houses, the skilled carpenter, glassmaker, glazier, decorator, and every one whose labour in window-manufacture is interrupted in its natural process, cramped and restricted in its amount. We have the complaints of limited domestic comfort, even from the well-conditioned urban and suburban inhabitants. But we have more stern witnesses, terrible in their testimony. Typhus fever, cholera morbus, pulmonary consumption, and almost all the disorders which minister to death; death itself, the grave, the graveyards choked and filled until the corrupted earth can hold no more corruption, though mortal dwelling-places and dying-places still send the dead forth to compete for burial room; orphanage, widowhood, lacerated affections, the family circle torn by the merciless epidemic, which is fed to fulness and fierceness in the dark dwelling-places, crowded together to avoid window-taxes; sorrows that may never be dried; the rich citizen levelled by the pestilence which first smote the poor; the panic which seizes on all; any amount of extraordinary expenditure submitted to in the semi-delirium of public terror; new taxes, new jobbing, deeper pauperism, higher poor-rates; those are all witnesses standing up to the condemnation of that most unrighteous impost which restricts the free use of light and air in human dwellings.

Are there those who doubt or deny that the window duties minister to disease and death? If such there be, let them read or listen:—

“In Newcastle-upon-Tyne, the operatives, labourers, and other poor persons occupy generally single rooms, and sometimes two rooms, of old houses of from two to four stories high, situate in the old and closely-built parts of the town. Very many of these houses, from the circumstance of every window not absolutely necessary for light being stopped up, in order to avoid the window-tax, are ill-ventilated; indeed, to such an extent is this economy carried, that the staircases of some of the large houses thus occupied are nearly without windows.”—*Mr. Ingledeu, chairman of the Newcastle Union. Second Sanitary Report.*

Thus may we begin; but where would be the end of such quoted evidence? Less than a large volume would not contain it. Let a summary, therefore, suffice.

Sunderland is like Newcastle. It first took the cholera in 1831, has been constant to typhus fever since, and, like Newcastle, with its windows built up to avoid window duty, is filling the cholera hospitals and cholera burial-grounds in 1849. Nor are towns which have grown large upon commerce and manufactures the only resorts of the diseases which avoid fresh air and abundant in-door light. Barnard Castle, in the county of Durham, is an old town, surrounding its castle of ancient defence. It has large houses, let in tenements of one or two rooms to a family. At least, four-fifths of the carpet weavers (*Mr. Brown, clerk of the Teesdale Union*) live in such residences, and about one-half of all the other labouring poor in the Union. The houses have as many as fifty, or more, individuals under one roof. But for the river Tees, which flows at the bottom of each yard, disease would be worse than it is. Yet fever has there an annual summer residence; and its mortal associate, cholera, is revelling there in this present autumn,

1849. The victims are found almost exclusively, *at first*, in the large houses, where the windows are built up, to avoid the duty. In Durham, the old houses are similarly treated for the window tax; and such new ones as are allowed to be built are constructed dark enough to escape the duty. Though a small, and naturally well situated town for health, fever and cholera carry death into its ill-lighted, unventilated sleeping places. At Stockton-on-Tees there are "yards" of houses, single buildings having forty to fifty people in them, all constructed to avoid window duty. Small pox was in one, fever in others; cholera is now in them all.

"Four months ago I went into a room in the same yard. The room was very dirty. It was nine feet broad by fifteen feet long, and contained four beds, in which slept two men, four women, and thirteen children. I found in one of the beds two children very ill of scarlet fever; in another, a child ill of the measles; in another, a child that had died of the measles the day before; and, in the fourth, a woman, with her infant born two days before; and the only space between the four beds was occupied by a tinker hard at work."—*Relieving Officer, Stockton Union.*

"The room was very dirty." All rooms inhabited by people unused to good light and air are dirty. There is affinity between darkness and dirt; they are parents of disease, and the offspring of that disease is death. Nature fits the tenant for the abode, or kills him. If we provide the stagnant pool, nature will provide the asp, the toad, and their foul companions to inhabit it. If we would have a higher order of beings in the same place, the stagnant pool must be removed. If we provide the dark, damp, unsunned, unventilated room for a human habitation, nature will find human beings. If not ready to her hand, she will break them down, brutify, barbarize them, until they are debased enough in soul and body to be content to live and die in that room unsunned, unaided, and uncleansed. If they be not debased enough to be content in such a place, nature sends them out to the liquor vault to be drunk, or sends for the poison in-doors; any way, every way, her laws operate to make the inmate of the vile place insensible to its vileness.

And is nature working unrighteously? Is this a false arraignment and libel on the laws of nature? Let those who may so think it, turn to another operation of the same laws. Provide the dwelling-place, which has windows to every room, at back and front; which has the sun in the house, if sun there be, sometime in the day; which is freely ventilated at any time the inmates may desire, and not open to drafts when not required; which has space for comfort and the conveniences which civilized habits may require; provide these, and nature will provide a fit tenant. If she have not one ready at hand, she will take a family out of the unsunned cellars, keep the father out of the liquor vault, to save his wages to buy furniture fit for the well-lighted rooms; wash and keep clean the children, to be in harmony with the rooms and the furniture; send to the florists for fuschias to grow in pots at the windows; to the booksellers for books to fill the bookcase; will send to the drapers for drugget to keep the carpet clean, and elsewhere for foot-scraper and door-mats to keep the drugget clean. Nature will have the fire-irons brightened, and will prepare for an intellectual brightening by opening the books. The books will enrich the conversation; and nature will direct to amusements more chaste, and recreations more healthful, than those she directed to when their dwelling-place was the ill-lighted room in the court, where houses stand back to back. A family thus naturally elevated in physics and morals will have little cause to fear either fever or cholera, except from those who still live in darkness and dirt; and these they will strive to upraise as they themselves have risen. This is true glory to God, whose natural laws are all righteous, working for our weal or our woe as we use or misuse them. There is hardly within the whole range of human error a greater misuse or wilful defiance of natural laws than the out-shutting of light and air from human dwelling places by taxation.

In the large towns people are first induced to go into the inferior dwelling-places to be within reach of their employment. There they remain, and sink to a lower scale of social being. It is not cheapness of accommodation which keeps them there. While the object of cheapness first placed the houses back to back, to save the expense of land and excuse windows, the demand for lodgings in the vicinity of employment now over-crowds the rooms and augments the rent. Thus the greater is the necessity for more light and ventilation. Had the inhabitants of towns been always accustomed to well-lighted rooms; had the windows never been lessened in number under fear of the tax-gatherer; it is hardly possible that building them back to back, to economize cost of land, would have been practised to so great an extent. It is the darkened windows, the excluded daylight, which first blinds the poorer of the town population to other convenience of domestic accommodation. Observe how families, able to accommodate themselves with good lodgings, are content to be in filth and foul air, when accustomed to the rooms which the window-tax has darkened.—Observe—

A *DARK dwelling-place in Manchester*, "occupied by a man, his wife, and seven children; income per week, £1 11s.; rent, 1s. 6d. per week; three beds for seven in a *dark, unventilated, back room*; bed covering of the meanest and scantiest kind."

A *LIGHT dwelling-place in Manchester*, "containing one sitting-room and two bedrooms; a man, his wife, and three children; rent, 2s. 6d. per week; income per week, 12s. 6d. Here, with a sickly man, the house presented an appearance of comfort in every part; also, the bedding was in good order."

Another DARK dwelling in Manchester. "A man, his wife, and family; one daughter

married, with her husband, forms part of the family, altogether seven persons; income, £2 7s. per week; rent, 2s.; they occupy two damp, dark, unwholesome cellars, the back one used as a sleeping-room by the married couple and single daughter."

Another LIGHT dwelling-place in Manchester, "occupied by a widow with a daughter, also a widow and ten children; rent, 4s. a week; income, £1 6s. a week. Here there is every appearance of cleanliness and comfort."

These are from a sanitary report by Mr. Mott; and are but two instances of contrast out of thousands which Manchester would afford, if there be thousands of well-lighted dwelling-places for working men, which, however, is doubtful.

Bath is a genteel town. The houses, even of the working population, have an external appearance of dignity; but the windows are in some only imitations; and many rooms in each building are gloomy and ill-ventilated. More complaints of the window duties have reached Parliament from Bath than from any other English town. Yet habit deadens the relish for light and cleanliness there as elsewhere.

"All who know the lower classes will testify that the last want felt by the dirty is cleanliness (Mr. Elwin, of Bath). I found a painter, whose bed was without blankets, whose room was without furniture, who was destitute even of the ordinary utensils of civilized life, whose floor was covered with worse filth than that of the streets. I found this man at dinner, with a roast loin of pork, stuffed with onions, a Yorkshire pudding, a large jug of ale, cheese, and a salad. I will undertake to say that half the gentlemen of Bath did not sit down on that Sunday to so good a dinner."

Perhaps not. But half the gentlemen of Bath, probably, did not earn so good a dinner as this painter did. The matter to be regretted is, not that the painter had so good a dinner at home on the Sunday, but that his home was without other comforts. Why was the floor dirty and the furniture wretched? Because the house was dark, like many other working men's houses in Bath.

The Assistant Poor-law Commissioner, in his sanitary report from Manchester says:—"A number of communications simply assign 'intemperance' as the cause of fever, and of the prevalent mortality. Of most of these communications it may be observed, that when intemperance is mentioned as the cause of disease, as being the immediate antecedent, on carrying investigation a little further back, discomfort is found to be the immediate antecedent to the intemperance."

Perhaps the true way of stating the case is, to say that those antecedents act and re-act upon each other, so that neither of them, logically, is antecedent.

The Commissioners of the Health of Towns, referring to the ill-ventilated and ill-lighted houses inhabited by the working classes, say:—

"Amid these scenes of wretchedness, the lot of the female sex is much the hardest. The man, if, as is usually the case, in employment, is taken away from the annoyances around his dwelling during the day, and is generally disposed to sleep soundly, after his labours, during the night; but the woman is obliged to remain constantly in the close court or neglected narrow alley, where she lives surrounded by all the evils adverted to. Dirty children, domestic brawls, and drunken disputes, meet her on every side, and every hour. Under such circumstances, the appropriate employments of a tidy housewife, in brushing, washing, or cleansing, seem vain, and useless efforts, and she soon abandons them."

Of the following towns they say:—

WOLVERHAMPTON.—"The greater part of the houses, for the working classes, are built without regard to comfort, or cleanliness, or ventilation."

KIDDERMINSTER.—"Houses of working classes generally bad; no ventilation."

CHESTER.—"The houses of the poor are, for the most part, in a neglected condition. Where the tenements are large, single rooms are let to families. The average number in each is about five. The air bad and impure; no arrangements for ventilation."—To which may be added, in the case of large tenements, windows closed up to evade the duty.

SHREWSBURY.—"The general state of the houses of the working classes is bad, and no arrangements are introduced for ventilation."

WREXHAM.—"The houses impure for want of ventilation."

GLOUCESTER.—"In the old parts of the town (which the working classes chiefly inhabit) the structure and condition of the houses is generally bad. There are three or four families in a house, and the rooms are crowded. Generally speaking they are very impure; no arrangements for ventilation."—To which is to be added, windows shut up in old houses, and not put into new houses, because of the duty.

BRISTOL.—"No arrangements for ventilation; fever prevalent (windows in the large, closely-built old houses shut up to evade the duty). The want of facilities for internal cleanliness in houses is to be regretted the more on account of the density of the population in many parts of the city. The number of persons to each house in the city is 6·1—a number nearly as high as in the crowded towns of Liverpool and Manchester. It is of frequent occurrence to find one room occupied by a family of six individuals. The rooms are very ill ventilated."

Dr. Budd refers to the working classes of Bristol thus:—

"In almost every case where I have witnessed contagious fever in Bristol, there has been only one bedroom to each family, and in many this was the only apartment. Several persons, consequently, occupy one bed. Unfortunately the want of common cleanliness, and the absence of sufficient means of ventilation, act in fatal alliance with these

conditions. * * * We protect ourselves by all manner of stringent legislation and heavy penalties against nuisances merely offensive to sense, and yet, without complaint or interference, allow our neighbour to harbour the seeds of pestilence."

We do worse—prohibit our neighbour, under a penalty of taxation, from admitting wholesome light and air into his chambers to expel the pestilence. The Health of Towns' Commissioners, who visited Bristol (Sir T. H. de la Beche and Dr. Lyon Playfair), say, in alluding generally to foul smells and bad ventilation, "One case we may refer to more particularly." This is a case where a family lives almost in darkness as well as in foul air. Addressing the mother, they ask—

"How long have you resided here?—Nearly two years.
"Have you enjoyed good health since then?—No, all our troubles have come on us here. I used to be strong and lusty, able for work; but now I am weak and sickly. I have had many children, and never suffered from any confinements until I came to this place; but since then I have had two dead-born children. But what distresses me so much is, that my children, who were healthy before, are becoming very puny, and my husband is not able for the work he used to do. God has dealt hardly with us for two years."

It is to be feared there is more sinful ignorance than piety in teaching these miserable people to attribute their ill health and dead-born children to "God dealing hardly with them," rather than to the Government, which, to maintain an extravagant expenditure, taxes the light of heaven, and surrounds such people with filth and darkness. The town missionary, however, seems to have known the readiest means of relief when he came into that place. The woman continues: "The smell is generally much worse than it is now. Mr. —, the missionary, when he comes to visit us, has often to put his head out at the window" (a kind of cellar-opening rather than a window), "he gets so faint." Many such cases are referred to at Bristol; and every town in the kingdom contributes its testimony against bad air, imperfect light, and the window-tax. None more conclusively than Liverpool.

SECTION XIX.

ITS EVIL INFLUENCES EXEMPLIFIED IN THE DUTIES ON COFFEE AND CHICORY.

The objection to the duty of 2s. 2½d. per lb. levied on tea, applies to the duties of 4d. per lb. on colonial, and 6d. per lb. on foreign coffee, except in the proportion of duties to the cost of the coffee; yet the duty on that of foreign growth is a tax which establishes, and is intended to uphold, a monopoly. In this respect it differs from the tea duty, and should, therefore, stand condemned by the principles of those imperfect free-traders who would abolish monopolies, but are not ripe enough in conviction to seek the liberation of trade from all taxes. It is a differential or protective duty of fifty per cent. But, apart from the question of monopoly, or of the per centage of duty as compared with the price of the article, the objections to indirect taxation of every kind are applicable to the tax on coffee; in addition to which, it affords some objections peculiar to itself. One of these we shall discover in examining the means and matter by which coffee is adulterated to evade or reduce the duty; and another we shall discover in the civilizing agency of coffee as a competitor, and in part a conqueror, of intoxicating liquors.

First, of adulteration.

After a taxed article passes the Custom-house, the first effect of the tax paid for its admission is to afford the dealers a premium for its adulteration. The use of chicory, in the proportion of about two ounces to sixteen ounces of coffee, is admitted to be an improvement both of flavour and wholesome nutrition; but the adulteration often extends to one-half and even two-thirds of chicory to a third of coffee. In whatever proportion it is mixed, it is a fraud on the consumer to sell the cheap article, chicory, at the price of the dear article, coffee. But chicory is itself subject to duty, 20s. per cwt. (from forty-five to fifty per cent. on its cost price), and is itself the subject of an extensive and foul adulteration. In its pure state it is the root of the *Chicorium Intybus*, one of the dandelion tribe of plants, and is, in proper quantity, a good tonic and aperient. In this respect it counteracts certain qualities of coffee, not esteemed as wholesome when used in a strong decoction. In France it was used in the *café* before it was known in England. It was introduced here by those who discovered the means of preparing coffee "as in France;" and last year 12,000,000 lbs. of it were sold for 36,000,000 lbs. of coffee. But those twelve million pounds of chicory were pure. They were in a condition to enrich the quality and aroma of the refreshing cup, only they bore a most suspicious disproportion to the coffee. But what would their disproportion in quantity be, and what the base fraud in the coffee cup, when the twelve million pounds of chicory were adulterated with a preparation of carrots, parsnips, burnt bran, sawdust, and other vegetable matter, and old worm-eaten ship biscuits. These are highly roasted and ground, and burned sugar and molasses added to them to heighten their flavour. So extensive is the use of those ingredients said to be, that cautious inquirers fear to repeat the extraordinary allegations. English-grown chicory of the best quality is worth 25s. per cwt.; but the retail grocer can buy adulterated at 14s. per cwt., ready for mixing.

It has been suggested that consumers should have a hand-mill, and purchase their coffee and the proper quantity of good chicory unground. Perhaps the richer and the middling classes of society do so; but the multitude who buy their supply "newly

roasted and ground," in ounces, from day to day, and upon whom the fraud of adulterated coffee and adulterated chicory falls, do not use coffee-mills. Many of the poorest could not afford the cost of them. It has been said that in this, as in many other things, the destruction of the poor is their poverty. But in this case the beginning of the fraud is the premium afforded by the indirect taxation on coffee and chicory. The working classes prefer the best coffee, if they can obtain it; for it is a fact known to merchants that they send more of the higher qualities of coffee, compared with the inferior, into the factory towns of Lancashire and Yorkshire, than to towns or country districts of equal population elsewhere.

The growing of chicory in our own fields, free of duty, is now exciting some attention. And already it has been proposed to the Chancellor of the Exchequer, by the Colonial coffee planters, who seem to be tender-hearted for the interest of poor coffee drinkers, that to prevent the undue admixture of chicory, that of home growth should be subjected to an Excise duty of 4d. per lb. This, they reckon, would at least produce £200,000 annually to the Exchequer. But as the plant is chiefly grown by gardeners, or in the spare corners of farmers' fields, or in cottage gardens, an army of inland revenue officers, sufficient to survey the whole kingdom, would swallow up the greater part, if not the whole, of £200,000. Moreover, the common dandelion, growing by the wayside, in the meadow, or in the field, almost everywhere, is such a near relative of chicory as to be substituted for it in a manner that even the connoisseurs of the French *café* cannot tell the difference.

The moderate use of chicory has greatly increased the consumption of coffee. The only rational method of preventing or lessening their adulteration is to abolish the duties on both, and supply the deficiency in the Exchequer by direct taxation.

It was stated in evidence before the Import Duties Committee, in 1840, by John Bramley Moore, Esq. (at present Mayor of Liverpool), that the difference in duty between coffee of foreign growth (such as that of Brazil) and colonial coffee could be pocketed by importers, except one halfpenny per pound.

"The difference in the duty you conceive to be a protection to the West India interest?"

Mr. Bramley-Moore.—"Just so."

"Is it your opinion that that protection amounts to a tax upon the people of this country?"

Mr. Bramley-Moore.—"No question of it."

Mr. Villiers.—"That they pay to that extent more for their coffee than they would otherwise do?"

Mr. Bramley-Moore.—"Yes."

In 1840, when the Committee of the House of Commons inquired into the operation of the import duties, several keepers of London coffee-houses were examined. At that time the number of coffee-houses in London was about 1,700. They were then stationary. Latterly, since a farther reduction in the duty on coffee and sugar took place, they have increased rapidly. It is supposed there are now over 4,000, besides the public-houses, which, for loss of custom in *strong liquors*, have been under the necessity of adding a coffee branch to their business. Eating-houses, also, which did not formerly serve coffee or tea, do so now; they are not included in the 4,000 coffee-houses, but a considerable proportion of the latter have added the cold meat department of an eating-house to their trade. Some few, established as coffee-houses only, now cook chops and steaks, or have an ordinary, and all of them serve bread and butter, eggs, rashers of bacon or ham, water-cresses, radishes in their season, and so forth. Thirty-five years ago there were only twelve coffee-houses in London, and these were not for the working classes. The rapid increase took place after the first reduction in the duty on colonial coffee. But from the prohibition of foreign coffee, which, by the high protective duty, was then practically prohibited, and the supply of the colonies, with their protection, not keeping pace with the new demand, the price of coffee rose so high as not only to prevent the increase of coffee-houses, but to close some of the old ones. It was then, too, that adulteration was first resorted to as part of a commercial system. Mr. Hare, one of the coffee-house-keepers, stated, that when he first opened his house to sell a cheap cup of coffee, he paid 48s. per cwt. for it in bond; and then, in 1840, from the failure of the protected colonies to supply the demand, he was paying for the same marks 110s. up to 120s. It was this that led to adulteration, to the increase of price per cup, to the diminution of customers, the closing of old coffee-houses, and the stoppage in the increase of new. And at this time Mr. Bramley-Moore stated the price of Brazil coffee to be 44s.; but this was prohibited, except by the subterfuge of colonising by way of the Cape of Good Hope. Thus we have it proved that, so far as coffee-houses indicate an improvement in social economy, the price of coffee was an important element. The price of sugar is hardly less so. Since the last reduction of duties, the coffee-houses have greatly increased in number, yet still the price of coffee is upwards of fifty per cent., by duty alone, above its natural price.

Mr. Pamphilon, who keeps the coffee-house Nos. 3 and 4, Sherrard-street, Haymarket, London, stated that he had from 1,500 to 1,600 customers per day; that they were from hackney-coachmen and porters to the most respectable classes; that he had three rooms, the better-dressed class going upstairs, the coffee being three halfpence per cup. He opened at half-past five in the morning, and shut at half-past ten at night. He took in forty-three London daily papers—six copies of some, eight copies of one; seven country

papers, six foreign papers, eleven weekly periodicals, twenty-four monthly magazines, and four quarterly reviews; and said: "Any customer who comes in and has a cup of coffee, for which he pays three halfpence, can read anything we have."

Mr. Villiers: "Is it owing to the lowness of the price that you have so many customers?—It is owing partly to the attraction of the newspapers and periodicals."

Mr. Ewart: "Is it not owing, in part, to the change in the habits of society, that the people are more inclined to consume coffee, and sober beverages of that description, than they used to be?—Yes; they used to have nothing to go to but a public-house. The majority of our customers are artisans—mechanics of all sorts."

Mr. Humphries, of the Crown Coffee-house, 41, High Holborn, stated that he paid £400 a year for newspapers, magazines, and the binding of back numbers for the use of his customers.

"No inebriety can possibly occur in your establishment?—No; and I have never heard an indecent expression, and have never seen a drunken man in my house, with two exceptions.

"Is it the particular beverage which you sell which is the great attraction to the persons that come to your house?—Yes; I have, upon the average, 400 to 450 persons that frequent my house daily. Many of them take coffee in the middle of the day, instead of a more stimulating drink. I have often asked myself where all that number of persons could possibly have got their refreshments prior to opening my house? There were taverns in the neighbourhood, but no coffee-house, nor anything that afforded any accommodation of the nature I now give them; and I found that a place of business like mine was so sought for by the public, that, shortly after I opened it, I was obliged to increase my premises in every way I could; and, at the present moment, besides a great number of newspapers every day, I am compelled to take in the highest class of periodicals. For instance, we have eight or nine quarterly publications, averaging from 4s. to 6s., and we are constantly asked for every new work that has come out. *I find that there is an increasing taste for a better class of reading. When I first went into business many of my customers were content with the lower-priced periodicals; but I find, as time progresses, that the taste is improving, and they look out now for a better class of literature.*"

And all this from the reduction of the duty on coffee, yet arrested in its progress to other streets of London, for a time, by the differential duty for the monopoly of colonial planters.

Mr. Letshford, who kept a coffee-house in St. Giles's, exclusively for the working classes, had it attended by 700 to 900 persons daily. He sold coffee at one penny per cup; took in nine daily newspapers; opened at four in the morning, and closed at ten at night. He said:—

"A man comes in the morning and has a cup of coffee, a thin slice of bread and butter, and for that he pays 1½d.; and then again at eight, for his breakfast, he has a cup of coffee, a penny loaf, and a pennyworth of butter, which is 3d.; and at dinner-time, instead of going to a public-house at one o'clock, he comes in again and has his coffee and his bread, and brings his own meat. I do not cook for any one."

But others stated that they found it necessary and advantageous to cook meat, and cut it up cold to their tea and coffee customers. Tea is only asked for in the proportion of a fourth to a third of the coffee. Coffee can be made in larger quantities together, and kept hot with less detriment to the flavour. Besides, if good, it is more exhilarating than tea. But the free importation of both, and of sugar, would shortly lead to an extraordinary consumption, and improvement in the habits of the people. As it is, the public-house property is seriously affected in the metropolis by the coffee-houses. In other towns the latter have made less progress.

But it is not enough to look into the coffee-houses, where, possibly, we may find only the more select members of many workshops in the neighbourhood. Look into one of those workshops as it was before the reduced prices of coffee, tea, and sugar somewhat humanized it—for that is not a word too strong.

Mr. Thomas Brownlow, a tailor, aged 52, who had worked as a journeyman at the largest shops in London, Messrs. Allens', of Old Bond-street, and Messrs. Stultzes', in Clifford-street, at the first with 80 or 100 men, at the latter with 250 men, gave evidence to the Assistant Poor-law Commissioners, in their sanitary inquiry of 1839. He said:—

"Eighty men worked together in a room 16 or 18 yards long, 7 or eight yards wide, lighted with skylights; the men were close together—nearly knee to knee. The heat was most suffocating. I have known young men, tailors from the country, faint away from the excessive heat and closeness. The smell occasioned by the heat of the irons and the breath of the men really was, at times, intolerable. I have seen from £40 to £50 worth of light-coloured clothing spoiled, in the course of the summer, from the excessive perspiration of the workmen. And those places are more unhealthy in winter, as the heat of the candles and the closeness are much greater."

Now, what was the condition of the men who, in such places, plied their art to array in elegance the sugar-taxers, coffee-taxers, tea-taxers, bread-taxers, butter-taxers, and the public spendthrifts who spent the sugar, coffee, tea, bread, and butter taxes?

"The natural effect of the depression was, that we had recourse to drink as a stimulant. We went into the shop at six o'clock in the morning. At seven o'clock gin was brought in, and the common allowance was half a quatern (eighth of a pint). *The younger hands did not begin with gin.* Breakfast was at eight o'clock. At eleven liquor was again brought in, and some took beer, and some took gin. Dinner was at one,

And again, at three o'clock, liquor came in, when some took beer, and some took gin. At five o'clock the beer and gin came in again, and at seven the shop was closed. After work there was drinking; nearly all the young men went into the public-house, and some of the others. The rooms where they take their pipe and tobacco and beer, after work, were often as crowded as the work-room. *Here the single men would stay until bed time.*"

Why? Because they had not elsewhere to go for society, or refreshment, or knowledge, or had not in Thomas Brownlow's time. But even in his time there were symptoms of amendment. He says:—

"Of late, since coffee has become cheaper, somewhat more coffee and less of beer is brought in."

Mr. John Fowler, who had worked as journeyman at Allen's, and other shops, said:—

"I think the improvement as to drinking beer as well as spirits is now very great, particularly in spirits, since tea and coffee have been so much drank. I conceive that the establishment of coffee-shops has been of great benefit to the health and morals of the men: it has taken them from the public-house. I have known a very large proportion of men carried off young, and in middle life, by consumption; but, in general, irregular habits were mixed up with the effects of the work in close places."

It is unnecessary to adduce such evidence at greater length. Such houses as those of Pamphilon, Humphries, and Letshford, and the several thousands of others which the partial reduction of coffee and sugar duties established, were successful competitors to the public-houses. How much more powerful would they be in their civilizing agency if tea, coffee, and sugar were consumable at their natural prices—the prices which would require no investment of a merchant's capital in Custom-house duties, the prices of perfect free-trade. And the domestic comforts of home, how would they multiply under such a free-trade!—the refreshing cup at any time within the command of any man or woman's wages, the cupboards stored with jars, the jars with preserves, the fruit grown in abundance hitherto unknown to be preserved in sugar which paid no taxes. But of sugar, hereafter.

There remain a few remarks on the bonded warehouses suggested by the coffee duties. The extent to which robberies have been effected in those warehouses is but faintly indicated by the facts which come to the public knowledge. But when we hear of 5,000 bags of coffee missing from one warehouse under the Queen's lock, the means of the plunderers to remove and dispose of plunder may be surmised. Next to spirits and wine, coffee is a favourite article of warehouse plunder; the amount annually lost by theft through persons in charge of property awaiting the payment of duty is appalling. But the goods stolen, or debased by adulteration, to cover partial theft, are not the only loss. The morals of clerks, porters, and private warehouse-keepers, who come in contact with the depredators bred by the system of indirect taxation, in bonded warehouses, partake less or more of their corrupting influence. And there is but too much reason to fear that some, if not many, of the conflagrations which have from time to time laid piles of Liverpool warehouses in ashes, were kindled by the hands which had first committed plunder, and were laid in ruins to withhold a knowledge of the robberies.

SECTION XX.

ITS EVIL EFFECTS ON THE SUGAR TRADE.

Sugar, from being a luxury, has become a necessary of life. It is more generally and variously diffused, throughout our domestic economy, than any other article not produced on British soil.

That it is not produced, to some extent, on British soil, is attributable to the policy of *indirect taxation*; also to the protective monopoly accorded, over a long period of time, to the colonies; and, in some degree, to the protection enjoyed by corn-growers on British soil. "Assist us in maintaining our monopoly of sugar in the colonies," said the planters to the corn and rent owners, "and you will find our parliamentary interest upholding the corn-laws. You may produce beet-root sugar in England, but what will its value be to you compared with your protection to corn?" The landed interest understood this argument, and voted for an excise duty of 24s. per cwt. on sugar made from beet, or any other home-grown plant, which operated as a prohibition. This occurred in 1837, owing, it is believed, to some capitalists with improved machinery having, during the four or five previous years, entered into the culture of beet and the manufacture of sugar. At a former period, when manufactured in England, it was supposed that the saccharine matter in the white beet—that most prolific of sugar—was only $\frac{1}{2}$ per cent. It has been since proved to contain at least ten per cent., of which over six per cent., or about two-thirds, is easily extractable, and may be refined as well as any cane-sugar; the mucilage and fibre of the plant remain, and, united with other food, are very valuable for feeding sheep and cattle.

This economical use of mucilage and fibre, in this mutton and beef-feeding country, would alone make the cultivation of beet as advantageous to our agriculturists—who occupy fertile soils—as any other root crop, and cover the cost of cultivation with ordinary profits, independently of the profit of the sugar. In France, where beet-sugar has been more extensively manufactured than elsewhere, those valuable remains of the plant are accounted waste, and are lost. Everywhere abroad the remains of the cane are, likewise, lost as waste; yet the English manufacture of beet-sugar has been written and spoken

town by financiers or colonial planters, on the ground that the plant could only produce 4 per cent. of sugar, and must, therefore, be unprofitable. The willingness of skilled capitalists to enter into the manufacture is the best test of its safety. They did so between 1833 and 1836, and were driven from it in 1837, by the law enacted expressly to suppress them; and that before they had completed proper arrangements for the extensive breeding and feeding of cattle, in connexion with the sugar manufactories. Observe what Mr. McCulloch says in 1834, in that year's edition of his "Commercial Dictionary:"—

"We understand that a few small parcels of beet-root sugar have, recently, been produced in this country; and with the present enormous duty on colonial sugar, we are not sure that the manufacture may not succeed. *But as the preservation of the revenue from sugar is of infinitely more importance than the introduction of this spurious business, the foundations of which must entirely rest on the miserable machinery of the Custom-house regulations, sound policy would seem to dictate that the precedent established in the case of tobacco should be followed in this instance, and that the beet-root sugar manufacture should be abolished.* Inasmuch, too, as it is better to check an evil at the outset than to grapple with it afterwards, we trust that no time may be lost in taking rigorous measures, should there be any appearance of the business extending."

In the edition of 1844 he says,—

"This plan, however, was not adopted; but the Act 1st Victoria, c. 57, imposed a duty of 2s. per cwt. on all sugar made from beet-root in the United Kingdom, and the 3rd and 4th Victoria, c. 57, imposed the like duty, with the additional 5 per cent., on all sugar made in the United Kingdom."

The English beet-root sugar manufacturers, thus driven from England to save the revenue, to propitiate the colonial planters, and through them to secure votes for the preservation of the corn-laws, carried their capital to France. But hostility to foreigners, the inferior agriculture of that country, the meagre resources of its sugar factories, which had grown up feebly under a system of excessive protection, and the change which, about that time (in imitation of British financial blunders), withdrew the protection, and substituted for it a restrictive duty on beet-sugar, to increase until 1848, when it would be equal to the amount of duty on French colonial sugar; those circumstances repressed the application of capital, new science, and enterprise, in France, to the production of beet-sugar.

What British agriculturists may say of such revenue restrictions as those on home-grown sugar and tobacco, now that they have lost protection on their corn and cattle, is still to be discovered. In contending for the abolition of indirect taxation; for the abolition of the customs and the excise departments, and the saving of seven or eight, or more, millions of pounds sterling, which they cost annually; for the economising of mercantile capital, now largely employed without profit, but at risk and loss in payment of customs duties; in contending for a complete free trade, which shall simplify and facilitate the application of capital to industry; for an equitable assessment of direct taxes, according to amount and certainty of income; and for the expenditure only of the lowest amount of direct taxation compatible with good government, the FINANCIAL REFORM ASSOCIATION offer as great advantages (if not greater) to the owners of productive agricultural capital as to any class of persons whatsoever. For, supposing that they would derive no benefit from having liberty to cultivate and manufacture sugar and tobacco, now prohibited by the system of indirect taxation, they would gain, as consumers of untaxed commodities, with other classes; and an equitable arrangement of direct taxation must transfer some of the burthens from productive agricultural capital to that which is wholly, or comparatively, non-productive, while due economy in the national expenditure must lessen the whole. But there are good grounds for believing that freedom to cultivate sugar and tobacco would be taken advantage of to the great benefit of the British agriculturist. Under the present system of indirect taxation, which affords a premium upon the adulteration of every taxed article, rhubarb, docks, and various other plants are grown expressly to supply the manufacturers of tobacco. The genuine tobacco leaf, if grown in our English fields, though it might be inferior to that of Virginia or Cuba, would surely be preferable to rhubarb, docks, nettles, beech leaves, oak leaves, old ropes, sawdust, treacle, clay, brown paper, and the other ingredients, of considerable number and variety, which are now used in the manufacture of tobacco, to cheat the purchaser, and defraud the national exchequer.

The taxes on sugar also give a premium to adulteration, which is not lost sight of. Mr. McCulloch says:—

"Sugar is an article which is especially liable to adulteration; and its high price during the last few years (he was writing in 1844) has given a powerful stimulus to this nefarious practice. Perhaps we might not be far from the mark were we to estimate the quantity of foreign matters intentionally mixed up with sugar, and sold as such in this country, at 10,000 or 12,000 tons. *Sago and potato flour are the articles most extensively used for this purpose. When mixed with sugar, they give it a whiter and finer appearance, and, unless the dose be overdone, increase its price about 4s. per cwt.*"

This increase of price per cwt. is in addition to the profit on the cheaper articles of sago and potato flour. But there are worse ingredients than sago or potato flour used to adulterate sugar, and those who would be free of them must first free sugar of its taxes.

Mr. McCulloch, who is, perhaps, never in error on matters of fact, or in inferences drawn directly from facts, though occasionally contravening the clearest economic prin-

ciples in his dogmas, says of the consumption of sugar, *Commercial Dictionary*, 1844):—

“The quantity of sugar consumed in Great Britain is at present, allowing for the quantity sent to Ireland (18,500 tons were then imported direct into Ireland, and 6,500 sent second-hand from England and Scotland, making 25,000 tons, which, to eight millions of people, were but a little over 7 lbs. to each person), more than double what it was in 1790. But had the duty remained at 12s. 4d., its amount in 1790, there cannot, we think, be much doubt, provided foreign sugars had also been admitted under a reasonable duty—say 18s. (foreign had long been excluded by a duty of 63s., while colonial had been 34s., and was then 24s.) that the consumption would have been quadrupled. During the intervening period the population has been little less than doubled; and the proportion which the middle-classes now bear to the whole population has been decidedly augmented. The consumption of coffee, an article in the preparation of which a great deal of sugar is used in this country by all who can afford it, is more than *twenty-eight* times as great now as in 1790; that is, it has increased from under a million of lbs. to twenty-eight millions of lbs.! The consumption of tea has almost doubled, and there has been a great increase in the use of home-made wines, preserved and baked fruits, &c. Instead, therefore, of having done little more than increase proportionally to the increase of population, it may be fairly presumed that the consumption of sugar would, *had there not been some powerful countervailing cause in operation*, have increased in a far greater degree. Instead of amounting to little more than three millions, the consumption of Great Britain should have amounted to between five and six millions of hundred weight.

“Taking the aggregate consumption of Great Britain at four hundred millions pounds weight, and the population at eighteen millions and a half, the average consumption of each individual will be about 21 lbs. (within a fraction.) This, though a far greater average than that of France, or any other of the continental states, is small compared with what it might be were sugar supplied under a more liberal system. In workhouses the customary annual allowance for each individual is, we believe, 34 lbs.; and in private families the smallest separate allowance for domestics is one lb. per week, or 52 lbs. a year. These facts strongly corroborate what we have already stated as to the extent to which the consumption of sugar may be increased; and others may be referred to, which are, if possible, still more conclusive. Mr. Huskisson stated, in his place in the House of Commons, on Mr. Grant’s motion for a reduction of the sugar duties, 24th of May, 1829, that in consequence of the present enormous duty on sugar, the poor working man, with a large family, to whom pence was a serious consideration, was denied the use of that commodity; and, he believed, *he did not go too far when he stated that two-thirds of the poorer consumers of coffee drank that beverage without sugar*. If, then, the price of sugar were reduced, it would become an article of his consumption like many other articles—woollens for example, which are now used for their cheapness—which he was formerly unable to purchase. There are no grounds for thinking that this statement was in any degree exaggerated; and as the reduction of the duty in 1829 was too inconsiderable to have any material influence, it strikingly shows the great extent to which the consumption of sugar might be increased were it brought fully under the command of the labouring classes.”

The reduction of duty in 1846 (the only reduction since Mr. M’Culloch wrote the foregoing) has increased the consumption of sugar, but it is not yet brought under the command of the labouring classes. The rural population do not yet grow rhubarb, and make it into those puddings, so nutritious and wholesome, to anything like the extent of the consumption in towns; and their only excuse is, when questioned, that they “cannot afford sugar enough, and rhubarb be nothing without lots o’ sugar;” nor do they, or the poorer of the town population, yet use sugar as the comfortable classes do in their tea and coffee. The factory female workers of Lancashire use very little sugar with the tea which they carry to the factory, and infuse with hot water supplied there; but in mills, where they spin “high counts,” and have higher wages, they use more than where the wages are lower. This has been recently inquired into, and their invariable reply was, either in words, or to the effect, that they could not afford much sugar, and they preferred the tea or coffee, because it “revived” them.

If the colonial sugar-planters are to be implicitly believed, complete free-trade in sugar cannot injure them more than they are injured—they are already ruined. This, however, is to be taken with reservations; for, according to their own statements, they have been utterly ruined so often, that the assertion must be received with very great caution, particularly when it is observed that the imports so far this year, from the West India Colonies, are several thousand tons in excess of the corresponding period of last year.

As to the objections urged in their behalf against slave-grown sugar, it may be observed, that we admit, without tenderness of conscience, or tenderness of feeling about the pocket, cotton, tobacco, rice, and other products of slave holding countries.

It may also be added, that we make no scruple about taking gold from the Brazilians, and carrying it into Britain direct, though it be procured by one of the worst species of slave labour. Mr. M’Culloch says:—

“The objection to the importation of foreign sugar, bottomed on its alleged injustice to our colonies, is, if possible, even less tenable. No doubt we have emancipated their slaves, but we, at the same time, paid them twenty millions sterling to indemnify them for any loss they might sustain in consequence; they therefore have not so much as a shadow of a right to insist on their being continued in the monopoly of our markets.”

In the evidence (chiefly of persons interested in sugar or coffee estates in the colonies) taken by Lord George Bentinck's committee of 1848, the estimated proportion which the compensation money bore to the loss alleged to have been sustained by emancipation, is sometimes curiously (with hardly an exception it is erroneously) stated.

The real value of the slave, as such, is only to be ascertained now by the quantity of land then cultivated by each slave, and the quantity of sugar produced by that land. The price per cwt. of sugar was then a strict monopoly price, which apparently increased the value of the slaves; so that, in compensating the slaveholders, the tax payers of Britain paid them according to their monopoly of the sugar-market, not according to the actual labour-power of the slaves emancipated.

The monopoly of the market was, and is, a distinct subject from slavery. Ascertain what the natural price of sugar is in a free market, and how much of that the slave would have produced, then we have the true means of knowing whether too little was paid for the emancipation. If compensation could, or can, be claimed for losing, in part, a monopoly of the market, let it be honestly claimed, and we shall know how to deal with it; but let it no longer be mixed up with the estimated loss from emancipation.

Interest on mortgages, and all charges whatsoever on the estates, no matter when contracted or *for what*, were also reckoned by witnesses in estimating their losses by emancipation, and the partial admission of foreign sugar under the act of 1846. As regards an efficient supply of free labour, the colonial planters have, without doubt, been sufferers. This, however, is, in some degree, attributable to the recoil of the pernicious system of slavery which the twenty millions sterling abolished, and to the conduct of the planters abroad and the West India proprietors at home, who, instead of requiring from the Government good and efficient laws for controlling and obtaining a continuous supply of labour, foolishly sought a return to monopoly and protective duties; thus it was that, last year, Lord John Russell stated in the House of Commons, in reply to a distinct question put to him, that it was not the intention of Government to make any alteration in the sugar duties. This was on the 30th of May, and *sixteen days afterwards* a bill was brought in, and eventually passed, increasing the protection both as regards money and time. So much for the reliance to be placed upon Ministerial promises.

The alteration that then took place so disturbed the trade, that it required many months to return to its ordinary channels; and several merchants, who were foolish enough to believe the statement of the Premier, made on the 30th of May, were serious losers for their credulity.

But the regulations of the Colonial-office in London seem to obstruct the steady supply of labour with the most fatal effect, though originally intended, no doubt, to do good. Contracts with the labourers are prohibited by the Colonial-office. The labourers, therefore, quit work whenever they think fit to do so; refuse to work often at the vital crisis of the planters' harvest, by which half or two-thirds of a crop is lost.

Earl Grey has not one farm under cultivation in Northumberland, but by hired men and women, bound to work all the year; each man bound to furnish one woman (called the bondager), at certain wages, whenever the farmer calls her. The safety of the harvest, and the working of the thrashing mill depend on this special hiring whenever there is not an excess of labourers. An excess of labourers is neither to the advantage of themselves nor the employers.

Hiring for periods of time should be as innocent in the West Indies, if the hirers be as just, as in Northumberland, or Scotland, or Lincolnshire, or Norfolk. The safety of the crops, profits of the farm, rents of the owners, and interest of the mortgagees depend on certainty of labour as much in the West Indies as in England. In the case of African labourers, or Indian coolies, it appears to be desirable to hire them for at least two or three years, to familiarise them to the work, and induce them to settle on the property they cultivate. But the governor of the Mauritius, Sir William Gomm, can suggest nothing better than "something like prison discipline," to be applied to the coolies brought there from the East Indian continent, to keep them at work. It seems hardly to have occurred to any one, that to bring women as well as men, and give them comfortable inducements to marry and bring up families, is the true way to have good labourers, and a supply of them; yet the planters of the Mauritius do not fail to let us know in their plea for a monopoly of the sugar market, that their gangs of coolies are guilty of crimes too horrible to be named. Nor does the evil of exclusive male immigration seem to be less in the West Indies, though the effects are not so broadly asserted.

If the Colonial Office allows, and the colonists take advantage of, a fair system of hiring the fresh supplies of immigrants, and, above all, if females be introduced, and marriage encouraged among immigrant coolies and Africans, Mauritius and West Indies will compete in the production of sugar with slave countries, as well as free-corn growing countries compete with the corn of serf countries. Why not?

The sugar planters and West India merchants truly described one cause of their difficulties when they said, *all confidence in legislation was lost; no promise of the Legislature could be believed, for it had promised everything and adhered to nothing. They could enter into no contracts, but at a ruinous hazard, for the revenue laws were continually changing.*

For this there is no remedy, and can be none but one—to sweep the revenue laws from the statute-book, and the revenue cruisers from the seas. Then the planters will know what they have to trust to.

The excessive taxation inflicted on the colonies for local salaries (in addition to the military or naval pay, and outfits of most of the colonial officers charged upon the imperial taxes) is everywhere complained of. In a despatch from the Governor of Demarara, dated the 14th of February, 1848, it is stated:—

“I am of opinion, that a very large proportion of the creoles, have a different feeling towards the planters and Government to that which they had four or five years ago; but this has arisen from other causes than that of low-priced labour. It is not uncommon for remarks, not of the civillest kind, to be made by groups of creoles, on meeting carriages and horses of official men, to the effect that they, the people, were taxed to pay such luxuries!”

The Governor of Demerara will find, when he comes to England, that Financial Reform Associations, in less than four or five years, have taught remarks, not of the civillest kind, to be very commonly made by people who are taxed to uphold the grandeur of official men. The creoles seem to have more good sense than their white governors give them credit for. In the Mauritius, where the cry of distress is very loud, and not unfounded, local taxation has risen from about £25,000, its amount a few years ago, to above £300,000, chiefly spent in salaries to “official men.” All votes of money and local legislation is by the Governor and Council; but all reductions of expenditure must originate with the Governor himself. He has £7,000 a year, besides being a Lieutenant-General, rising in rank (though not on military pay), with staff around him, most of whom draw military pay from home while they hold colonial offices, and draw colonial salaries. He is not likely to originate reductions; but he does not hesitate to avow himself, as nearly all governors and officers in sugar colonies do, a zealous advocate for protection to the sugar growers, at the expense of the British public.

Some of the witnesses examined by the committee of 1848, stated that they had been ruined by the caprice of custom-house officers, who (having no fixed test to decide on the various kinds of sugars, and the variable qualities of some) levied duties which certain kinds were never intended to bear. This branch of the subject might be entered upon at much greater length, but we prefer to quote a summary of those uncertainties of the customs-officers’ as drawn up by the chairman of the committee, the late Lord George Bentinck, who says:—

“Mr. Dowding, the Surveyor-General of the Customs, was called, and having been asked, ‘Has an opinion been expressed by the officer that the mode of collecting the duty is not satisfactory?’ he stated, ‘It has never been disguised that it is an unsatisfactory mode, because it is not a question of fact—it is, in a degree, a matter of opinion.’ Being asked, ‘Are you aware what, according to Act of Parliament, constitutes the difference in the quality of different sugars under the classification law?’ he stated, ‘I apprehend I am.’ Being asked, ‘How do you define them?’ he described, ‘The elements of sugar are saccharine matter, grain, and colour; they constitute the term quality.’ On being asked, ‘When you get a sample of sugar, have you no satisfactory means of ascertaining the quantity of saccharine matter in it?’ he replied, ‘Certainly not.’ Being asked, ‘Therefore, as far as regards the saccharine property of the sugar, it is not a satisfactory test?’ he said, ‘It is not.’ Being asked, ‘The grain and colour you judge of by the eye?’ he stated, ‘Yes.’ When asked, ‘Is the granulation regulated by the moisture of the sugar?’ he said, ‘Not exactly the moisture. I can hardly explain how we come to the decision. It is by feeling it and looking at it.’ ‘Therefore it is possible one officer might determine, from his general impression, differently from what another officer might determine?’ He said, ‘I have just admitted that fact.’ ‘You also admit that, in a different state of atmosphere, the same officer might come to a different conclusion at different times?’ He said, ‘It would make a difference in the colour of the sugar.’”

Mr. Barkly, an extensive owner of sugar estates in British Guiana, subsequently appointed governor of that colony, complained that when he did not find it practicable or profitable to complete the manufacture of his sugar in the colony, and would have shipped it home to be completed, the law did not allow him. The various enactments to protect refiners have also operated ruinously upon many merchants. The bounty upon colonial sugar, refined and exported, has also been a mischievous tax, levied on the people of this country for the benefit of the planters. The law by which slave-grown sugar may be imported and refined in bond only to be exported, has kept merchants, refiners, and revenue officers in ceaseless, and sometimes in ruinous, conflict. By all of those laws, by others not now in existence, or not alluded to here, and by the instability of all legislation on the sugar duties, the public have been continually subjected, in one shape or other, to losses and fraud.

As to the moral and social advantages of a free trade in sugar, they are one with those urged in favour of free trade in tea and coffee (for which see the sections on those articles).

The Tracts may be had at the Office, 26, North John-street, LIVERPOOL, and from SMITH, ROGERSON, and Co., Lord-street; and Sold by all the Booksellers. LONDON: The Trade Supplied at the Office of the *Standard of Freedom*, 335, Strand, and by SIMPKIN, MARSHALL, and Co., Stationers’-hall Court; GEORGE VICKERS, Holywell-street, Strand; EFFINGHAM WILSON, Royal Exchange; H. BINKS, 85, Aldersgate-street; CHARLES GILPIN, 5, Bishopsgate-street; JAMES GILBERT, Paternoster-row. Dublin, by GILPIN, Dame-street. MANCHESTER, ABEL HEYWOOD, Edinburgh, J. MENZIES, Prince’s-street.

FINANCIAL REFORM TRACTS.

No. 21.

INDIRECT TAXATION.

(Continued from No. 20.)

SECTION XXI.

ITS EVILS FURTHER EXEMPLIFIED BY THE TAXES ON PAPER, NEWSPAPERS, AND ADVERTISEMENTS.

THE paper duty is as old as the wars of England and France, when, with its kindred taxes on newspapers and advertisements, and on windows—taxes on the light of intelligence and the light of the sun—on soap, leather, and various absolute necessities of life, it was imposed to raise money to pay our soldiers to “humble the King of France,” Louis XIV., as the common phrase then was. Up to 1836, all writing, coloured, or wrapping papers, cardboards, and pasteboards, were denominated first-class paper, and paid 3d. per lb. duty, or 28s. per cwt., unless manufactured wholly of tarred ropes, without the tar being previously extracted, in which case the paper was denominated second class, and paid 1½d. per lb., or 14s. per cwt. Millboards or scaleboards, made of the same material as second-class paper, paid 2¼d. per lb., or 1s. per cwt. of duty. On the finer kinds of paper the tax was from 25 to 35 per cent., to 200 per cent. on the coarsest.

In 1836 the duty was altered to its present rate of 1½d. per lb. on all paper; and the restriction on the use of materials abolished. The duty of 1¾d. per square yard on paper printed or stained was then repealed, to the great relief of that branch of industry. Indeed, the *repeal* of that obstruction to industry has almost created a new branch of manufacture, to the employment of many hands, to the beautifying of dwelling-houses, and the refinement of domestic taste. The reduced duty still bears a proportion of 50 per cent. on coarse paper, such as the grocer weighs and charges with the pound of sugar, and from 7 to 20 per cent. on lighter kinds in common use. On the lightest of all, that made for Bank of England notes, the duty is infinitesimally low; but on sheathing paper, which is used extensively for laying on ships' bottoms under copper, it is 100 per cent.

The question has been somewhat sneeringly asked by more than one Chancellor of the Exchequer, when deputations have waited on them to seek the abolition of the duty on paper: “How much cheaper could a single newspaper, or a letter and envelope, or a lucifer match-box, or the wrapper of a pound weight of sugar, be made to the purchaser by the absence of the duty?” The answer is, that the absence of duty might not admit of the reduction of price on a single article; but it would determine whether the proprietor of a newspaper could carry on business with or without a remunerative profit, whether he might afford to obtain more expensive intelligence, or literature, or to print on better paper; and it would determine whether some branches of business, not now in being, would exist or not. In some towns—Liverpool is one—a law has been enforced lately against shopkeepers, for weighing that heavy and *strong* paper indispensable for commodities, such as sugar, with the article retailed. But one-half of the price which the shopkeeper pays for that paper is a war tax, taken by the Government from the paper-maker; while a considerable proportion of the other half of its cost to the shopkeeper is remuneration to the

paper-maker for losses sustained in his business through the Excise obstructions, or of undue profit exacted by the wholesale stationers, to whom the duty practically gives a monopoly of the paper trade, and who, except the Government and its adherents, are the only persons that, as a class, oppose the repeal of the paper tax. They enjoy a benefit from it at the expense of the paper manufacturers and the public, thus :—

The wholesale stationer knows that once in every period of six weeks, on an appointed day, the paper-maker must pay the duty on the paper sold during the previous six weeks. Except a very few makers, they are compelled, by necessity, to sell, and realize cash. The wholesale stationer buys nothing during the six weeks, but awaits the day, and almost the hour, which he knows will bring the paper-maker to sell. The paper made *must be sold*; money (in the case of coarse paper) must be obtained to pay the inexorable revenue collector to-morrow, equal, or nearly, to the amount of all the wages of labour, cost of materials used, rates and ordinary taxes, interest on capital invested in machinery and materials, and interest on capital required to meet the duty with punctuality, else the whole works will be stopped by immediate distraint. To stop once from such a cause is to be stopped for ever. The paper-mill must go on to-morrow, and the next six weeks, to provide for the duty payable at the end of that time upon the paper made during six weeks preceding to-day, this day included. On and on, once agoing, and the debt of a six weeks' duty incurred, the mill must go, the maker must sell, and the wholesale stationers will only give such a price as a man who must sell must take. One with an independent capital might withhold his supply from the market for one, or two, or more periods of six weeks; but the necessities of the makers who have not an independent capital—the greater number in the trade—have already fixed the price, and he must take it. The wholesale purchaser is also the merchant who supplies, in most cases, the raw material. In all cases he does so to the needy man, and declines to buy paper, or advance money, for the terrible to-morrow of the revenue officers, unless part payment be taken in rags, or old ropes, at his own price. The smallness of the number of those wholesale stationers gives them the easy power of combination. The paper tax forces the trade into their hands; they combine; the paper-makers, on one hand, and the public, on the other, suffer from their monopoly. They alone, of all traders in paper, defend the continuance of the duty.

In the case of such a manufactory as one in Lancashire, supplying, it is believed, a half or more of all the newspapers in the kingdom, neither the sale of the manufactured article nor the purchase of the raw material are through the wholesale stationer. Cotton waste, the article used, is directly carried from the spinning factories to the paper-mill, and the supply to the newspaper is sent out in like manner; yet even here the price is regulated, not by the wholesome law of demand and supply, but by collection of the duty. Nor do the public gain the advantage in reduction of price which would be presumed at a cursory glance of this branch of the subject; the public can gain no permanent advantage from an unprofitable manufacture; it cannot continue to exist. If price falls below profit, quality must come down to price; thus, instead of that natural law in manufactures, of improved means of production always tending to lower prices or improve qualities, the quality of the paper is either deteriorated, or it does not improve in proportion to the great facilities which mechanical and chemical science affords for its production. The public are generally familiar with the "Entertaining Tracts" recently published by the Messrs. Chambers, of Edinburgh. The sale of those tracts was all that could have been reasonably expected of any cheap publication; it was enormously large, yet it did not afford a profit sufficient to induce their continuance; the duty on the paper would have been a handsome profit. Because of that duty the "Tracts" ceased, and the employment, the wages, and profit of many hundreds of people ceased with them, or had to be competed for elsewhere, while the public were deprived of one supply of cheap and instructive reading.

Printers, stationers, booksellers, newsvenders, bookbinders, type-founders, artists, copper-plate and lithographic printers, card-makers, paper-stainers, and paper-hangers, are all directly obstructed in their trade by the duty on paper; so is the author; and besides the public, for whose use paper is made, the duty is indirectly an obstruction to the industry of millwrights and other mechanics. The

prodigious strain upon some of the machinery, and the delicacy of other parts, require the frequently applied skill of the mechanic. A few years ago the number of manufacturers of paper was stated to be about six hundred; that number is now considerably reduced, and continues to decrease as the smaller manufacturers continue to fail to meet the revenue collectors through the monopolist wholesale stationers. It is alleged, with a show of probability, that the act of 1836, which fixes the day on which the duty is to be paid, or the manufacturer ruined, will, in a few more years, give the whole paper making trade to a very few persons of large capital, who may then combine to exact an exorbitant price from the public.

The stamp duty on newspapers has more advocates than has the paper duty. One says it is nothing more than a mark to go free by post; and, size of paper considered, it is a cheaper postage than that of a letter. Another defends the stamps with the allegation, that they preserve the respectability of the newspaper.

To the first of these it may be answered, that a large proportion of all newspapers are sold in the towns where published, and delivered without going into the post-office. On the purchasers of all such there is levied a tax of $23\frac{1}{2}$ per cent. if the paper be 4d., or 25 per cent. if it be 5d., that certain other persons living elsewhere may have their paper sent free by post. There seems no difficulty in devising an adhesive label to attach as a postage-stamp for newspapers actually sent through the post-office, which, by requiring a substitute each time the same paper was re-posted, would give more revenue to the post-office than its assumed share of newspaper revenue now.

The second objection to the abolition of the stamp, that its absence would encourage an inferior class of papers, is enforced by a reference to America, where there are no stamps. But the answer to this allegation is, let us look at home, not abroad; let us examine our own national taste in periodical literature. Have not the cheap periodicals, in which scandal was a leading ingredient, during the last twenty years, one after another, perished? And have not those filled with instructive or innocent amusement increased in number and circulation? Unfortunately, it is not true that political disquisitions are either more profound, or more pure and free of personal vituperation, as the price of the journal rises. The questions of financial reform, economy in the expenditure of public money, and the preservation of peace, have been discussed in the high-priced as well as the low-priced periodicals of England. In one selling at 2s. 6d., in two at 3s. 6d., and in a fourth at 6s., in the latter part of the present year (1849), those subjects are treated amid personal misrepresentations, misquotations, and vituperative abuse of the individuals who advocate economy, peace, and complete freedom to commerce, in a style seldom equalled by the cheap press circulating between Boston and San Francisco. But the treatment of those subjects, in its style, is not in accordance with the British national taste, nor with the taste of a majority of those who read these periodicals; the publishers are the best judges of what the public like best. One of the most eminent of them in London, it is reported, has lately relieved himself from the unprofitable services of an able and highly-paid writer, who had a natural tendency to be scurrilous.

An ordinary newspaper pays a duty of 21 per cent. on the paper it uses. This alone, if remitted, would form a profit sufficient to improve the quality to meet the competition of fresh papers—if any. The increased demand for a paper at 3d., which would be the price of those at Manchester, now publishing with a penny and a halfpenny stamp (the latter for a supplement), would give a larger profit than is obtained now, apart from the gain of 21 per cent. on paper. The *London Times* would be as good a property at $3\frac{1}{2}$ d. without its penny and halfpenny stamps, as it is now at 5d. with them; in addition to which there would be the profits on a larger sale; there would be 21 per cent. saved on paper, and in advertisements an augmented revenue, for on these also the duty must be abolished. It is a chimera to see, or allege the probability of seeing, an inferior class of newspapers rising up, if the stamp and the duties be removed. The papers already established would occupy ground more defensible against unprofitable competition than they now do. A new paper cannot in one week, nor in one year, establish itself as an advertising medium, no matter how popular its politics; and it is from advertisements that the profit on newspapers, if any, arises. New papers must be of a superior quality to achieve permanent success, and become competitors with those established. All of them will,

to a close degree, harmonize with the wants and tastes of the reading public. The weekly and the provincial newspapers are now exposed to competition with cheap literary periodicals, more than they would be without taxes. If there be no public event, or rumour of one, to make the working man prefer a newspaper on the day he gets his wages, he buys the *penny this* and the *penny that*, and the journal for three-halfpence, and has *three* papers for 3½d., instead of *one* for 4d. or 4½d., or 5d., or 6d. It is worthy of note that, while the working man may give his shilling for beer, which requires the exercise of no thought to drink, without an economical scruple, the same man becomes an economist when buying a newspaper, or periodical, or book, to read; he begins to think in the act of buying, because the article is one for the exercise of thought. The more frequently the working man goes to the book-shop the better for himself and all society. He goes there now more than he once did. Untax the paper-maker and the newspaper, and, finding a higher quality of intellectual and moral nourishment at a lower price, he will go to the book-shop more and more, and to the public-house less and less.

As to the duty of 1s. 6d. on advertisements, nobody defends it. The Chancellor of the Exchequer says he cannot spare the money. Beyond this there is no argument. The Financial Reform Association offer a substitute for the money, in direct taxation. This duty is one of the most vicious in principle. It has been called a tax upon *wants*; but it is a tax levied at one rate upon the man who *wants* employment, to whom employment is bread to eat, and on the man who *wants* a mansion, who *wants* to preserve game, who *wants* to spend his wealth in destroying the fruits of the field; and it is a tax operating against those who do not advertise. Many hundreds of persons in every town, thousands of persons in large ones, make their wants known less perfectly by a lengthened loss of time or labour, or never make them known, rather than pay the high price of advertising, which this tax enhances. The augmentation of income which would flow into the office of a newspaper consequent on the repeal of the advertisement duty, would be a source of power for the literary improvement of that paper to withstand competition, in addition to the profits on larger sales following the absence of the stamps, and the 20 or 25 per cent. saved on paper by the repeal of the paper duty. What reason, then, is there for saying the respectability of newspapers would deteriorate? The law of libel is as powerful against a sheet without a stamp as with one. It would remain; but the best protection against libellous literature is, the national dislike to purchase such commodities.

P.S. Besides the excise duty on the manufacture of paper, to which alone the foregoing remarks refer, there is a custom-house duty on foreign paper of 3d. per lb., and of 2d. per lb. additional on stained paper. Those duties are called *protective*; but the British paper manufacturers repudiate them as protective, hardly any foreign paper being of a value to compete with British, even if admitted duty free, and certainly not, if British paper were made tax-free.

SECTION XXII.

THE DUTY ON SOAP.

The Excise duty on soap is less defensible than any tax levied by Government. The obstructions, or "regulations," as they are called, which meet the soap manufacturer at every step in the process of his business are at once mischievous and absurd; so absurd, that were they not prolific of unspeakable mischief, we should laugh at them, as at the plot of a comic drama; so mischievous, that we cannot be amused, but must stand astounded at the legislative wickedness or weakness which has enacted or permitted their existence. While the practical chemist, free of the Excise surveillance, and free of a tax upon all his discoveries, or *failures to discover*, has, within the lifetime of a generation, given the bleacher, or dyer, or cloth-printer power to rival, nay, outdo, the fabled magic of antiquity through the combination of chemical ingredients, the soap-boiler, who is also a chemist, but forbidden by the revenue laws to make discoveries, or attempt to discover, produces soap as it was made a hundred and fifty years ago; or it may not be so good as the soap at that

time, as the laws which restrain the genius of legitimate discovery give encouragement to the experiments of fraud.

Soap is generally of two sorts—*hard* and *soft*. The hard is made of soda and tallow, or oil, and the soft of potash and tallow, or oil, or similar greasy substances. It is usual for soapmakers to mingle a considerable portion of rosin with the tallow to reduce the cost: this makes the common yellow soap.

Soap made of tallow and potash does not assume a solid form; its consistence is never greater than that of hogs' lard. The properties of this soft soap, as a detergent, do not differ materially from hard soap, but it is not so convenient for use.

The duty up to 1833 was, on *hard* 3d. per lb., on *soft* 1½d. The hard, being that in common use, was subject to further taxes by the Customs duties on the materials of which it was chiefly made, making it cost about 6d. per lb. The taxes alone, with losses through the Excise regulations, were 4½d., the actual cost of the soap being *five farthings*. Water, which forms from 60 to 70 per cent. of the quantity at the time of the boiled ingredients being measured for duty by the officer, is also taxed.

In June, 1833, the Excise duty was reduced to half the former rates, and, more recently, rosin, and turpentine, and oil, have been admitted duty free, while the duty on tallow has been reduced from 3s. 4d. per cwt. to 1s. 6d. Yet the reduction in the price of soap has borne no proportion to those alterations of duties. The cause of this is readily found when we look for it. The restrictions on the manufacture of the article deter improvement. The trade, through these restrictions, is confined to a comparatively small number of manufacturers. Were it an open trade, new makers would be attracted to it, and the public would then receive the benefit of improvements, and competition, as in other open trades. Indeed, persons of small capital might then make soap, and probably would do so in every provincial town or large village in the kingdom. At present the manufacture is almost entirely confined to London, Liverpool, Brentford (near London), Newcastle, Bristol, Hull, Warrington, Runcorn, and Glasgow.

Cleanliness is said to be akin to purity of mind. Beyond doubt the moral virtues are but feeble in the companionship of filth; while it is not less certain that physical health declines, and insidious diseases of slow growth take root, and grow, and give warning of possible death, in the absence of healthful cleanliness. Ultimately the sudden and stern pestilence comes forth with sentence of death, which it executes upon those who heeded not the warning of slow disease, to wash and be clean. If it be turned aside, and strike not the households dead where it had proclaimed the penalty of death for neglect of cleanliness, it is turned aside from such households more because of the propitiatory resort to soap and water than the resort to other medicinal cures. But let us observe the obstacles placed by the legislature against the free supply of that indispensable preservative of health, and preventive of pestilence.

The coppers are daily locked and sealed by Excise officers, and for every distinct operation of manufacture a notice must be served on the Excise (they are now termed the inland revenue officers, but we prefer to retain, for the present, the designation by which they are best known).

Until lately the regulations were so stringent, that whether the workmen were unskilful or negligent, or the materials imperfect, the proprietor of the copper was compelled, by law, to produce one ton of yellow soap from a fixed quantity of the raw material. If he produced less than a ton, he was, nevertheless, charged duty upon one ton; but if he produced more than a ton, he was charged to the full extent of the quantity produced. Those regulations are so far modified that the soapmaker may boil his coppers any period of time, and make any quantity of soap from any quantity of materials; but still he must give notice before he can withdraw it; and still he has no protection against mistake or accidents in freeing the alkali from carbonic acid or lime in combining his ley with tallow, rosin, &c., nor in the different additions or abstractions which it may be necessary to make in order to form a perfect soap. Should it, from any cause, be inferior in quality or wholly unmarketable, it must still be charged with duty.

Until recently, the manufacturer was debarred from attempting any improvement by having to pay duty on his experiment, whether it failed or succeeded. This has been modified to the extent that application may be made to the Excise department,

and "leave *may* be obtained by respectable manufacturers to make experiments," without the materials experimented on being charged duty. It is, however, doubtful whether the Excise officers, in deciding who the parties are that may be entrusted with the privilege of boiling for experiment, are qualified to judge. The "respectable manufacturers" to whom the privilege is conceded, on application, are those who have the largest capital invested in buildings and plant, all made according to law, and have therefore more interest in being conservative of the old law-made soap than in improving the present buildings and plant, or emancipating the manufacture. Moreover, it is a truth, certified by the history of science, as by the experience of living men, that the successful experimenters in the industrial arts are not the established manufacturers. A Government officer would not have recommended James Watt, the college instrument-maker, to improve the steam-engine; nor Arkwright, the dealer in hair, or Kaye, or Hargreaves, or Crompton, or Taylor, and others, nearly all ordinary working men, to invent, or apply inventions to the spinning and weaving of cotton. Nor would he have applied to the dairy farmer of Peel Fold to print the cotton cloth; to bring into union from Europe, Asia, Africa, and America, the ingredients which should make him outdo all the fables of the wizards in giving beauty of adornment to the human body, and in heaping up piles of gold for himself and children. Nor to those humble men who afterwards, when he was rich, sold discoveries to him, or who have followed since with their chemical magic in bleaching. Not to many of these, perhaps not to one, would the officers of the Excise have conceded the privilege of making experiments, had the law restricted the experimentalists to their permission, as in the case of soap. It is alleged, as a reason why the soap duty need *not* be repealed, that already the substitutes for soap, supplied by the discoveries of chemistry, are so numerous and cheap, that soap could not be made to compete in price or utility with them. It is hardly possible to adduce a stronger argument than this in favour of perfect freedom in the manufacture of soap,

If the law gives encouragement to any discoverers connected with this trade, it is to the fraudulent man or the smuggler. The precautions taken by those enactments which harass and obstruct the manufacturers, are sufficient proof that frauds may be committed if not prevented. It is said, by some of those who should know best, that they cannot be prevented.

The Excise officer is authorised to break up the grounds and walls in a manufactory, and search for pipes and hidden conveyances.

Notice is required to be given to the Excise officers when soap is about to be taken out of the coppers, and when the coppers are being *cleaned*; and a certain time is only allowed for the operation of cleansing. The utensils must be cleaned once a month in the presence of the Excise officers.

No person is allowed to make soap within the limits of the head-office in London, unless he occupies a tenement of £10 a year, and is assessed to, and pays the parish rates; nor elsewhere unless he is assessed, and *pays church and poor rates!* And every soapmaker is required to take out a licence, to be renewed annually, for which he is to pay £4; but persons in partnership require only one licence for one house.

The frames used in making hard soap, for cleansing and putting the same into when taken out of the vessels boiled and prepared, must be oblong, and the bottoms, sides, and ends of such frames are to be two inches thick, and not more than forty-five inches long, and fifteen inches broad, the same being marked and numbered at the expense of the soapmaker.

As soon as the soap is cleansed, or taken out of the coppers in which it has been made, the maker must add, or put into the copper, all the fob and skimmings taken out of the same, and also grease, in the proportions of at least ten cwt. for every ton of yellow or mottled soap which the copper or vessel shall be, by the officer, computed to boil or make, and immediately re-melt such grease in the presence of the officers of Excise. *No lees fit for the making of soap may be manufactured for sale*; nor may any barilla (the alkali) be ground or pounded for sale; nor when otherwise ground or pounded, may it be sold exceeding the weight of 28 lbs. at one time.

Every barrel of soap must contain 256 lbs., every half-barrel, 128 lbs.; every firkin, 64 lbs., and every half-firkin 32 lbs., besides the weight and tare of the cask. They must keep scales and weights, and assist the officers in using them, under a penalty of £50.—*Chitty's Commercial Law.*

Almost every clause of the excise acts relating to soap concludes with a penalty of from £50 to £300. Each copper in the manufactory is provided with padlock and keys, which, during the operation of boiling soap in it, the officer retains. Those keys must not be used by the manufacturer during that period under a penalty of £200. The lees must not be taken out of the copper by a tap, but by a pump. This, to work while the boiling liquid fills it with steam, must be of a peculiar construction, made and worked at great expense to the soapboiler. To remove the liquid from the coppers otherwise than by this pump, subjects the manufacturer to £300. Over the key-holes of the padlocks, which secure the lids of the coppers while boiling, and this pump while not in use, paper is fixed, to remove or injure which subjects to a penalty of £200. Notice must be given to the exciseman over night to unlock for boiling in the morning. He may come late, while all hands are kept waiting his convenience to assist to raise the ponderous iron covers of the coppers. Complaints of his want of punctuality would not smooth the future processes of soapmaking.

The boiling being concluded, the exciseman is called to lock down the copper. Before it can be re-opened the manufacturer must give six hours' notice by day, or twelve hours' notice over night, to clear the copper out. At the same time he is required to make a declaration as to the quality of the soap contained in the copper, specifying whether it is mottled soap, or yellow, or white, or curd, and whether any "silicious or earthy matter, or other matter has been, or is intended to be, added to it." If he does not make this declaration, or if he makes it falsely or untruly, he will forfeit £100.

In giving the various notices to the Excise, the manufacturer has regard to time as nearly as he can foresee future conditions affecting time. Should he not be ready to proceed at the period notified, he has two hours allowed for preparation; but if not ready at the expiry of those two hours, the exciseman puts all things as they were, and requires fresh notices of six or twelve hours, as the case may be.

No frame can be used for pouring the liquid soap into unless it has been surveyed, under a penalty of £100. And if any frame so used, not being of the prescribed length, depth, and width, or without being numbered and registered, there is a penalty of £200 for each offence.

As an instance of the obstacles opposed to improvement by the Excise, the metallic frames in which soap is moulded and cooled, instead of the olden frames made of wood, need only be mentioned. In the metal the process of cooling lasts from fourteen to twenty hours. In the wooden frames it lasted four or five days. The soap-boilers (Messrs. Hawes of London) who first used the metallic frames, had their soap seized, and were reported to the Board of Excise for penalties. Much controversy ensued. A small firm would have been sacrificed; this great one was firm, and at last the metallic frames were legalized by Act of Parliament.

Soap must not exceed the specific gravity 1.05 when surveyed for duty in the frames. It is enacted that "28 cubic inches when hot, and 27.14 when cold, shall be deemed and taken to be a pound weight of soap." But "if any hard soap shall be found to be of greater specific gravity than 1.05 within forty-eight hours after being cut up (into lengths), such soap shall be subject to an increased rate of duty." This increase is £2 10s. per ton. That kind of soap made chiefly for the use of the poorer classes is the kind most difficult to regulate in specific gravity; hence it is most frequently charged with the extra duty of £2 10s. This soap must not be re-manufactured to bring it to the standard; it is already charged with duty and extra duty; to re-manufacture it would subject it to duty again. It must go into the market, though at a loss to the maker.

The soap must be cut up into lengths of fifteen inches. If a bar be cut, by accident even, longer than fifteen inches, all soap in the warehouse is forfeited. If any quantity less than a pound weight be sent out of the warehouse, a penalty of £100 is incurred. There are cuttings, and scraps, and other waste, which must be returned to the boilers, under a penalty of £50, to be re-manufactured. This pays duty a second time, at the rate of £4 14s. per ton. For this and other waste a per centage of ten per cent. is allowed, but it falls short of the loss sustained.

"If a copper burst, the act provides that it shall be lawful to remove the soap it may contain on giving immediate notice to the exciseman. There was a case some time ago in which a copper burst and let some twenty tons of soap run rapidly away.

It was at night. The exciseman had gone to bed with his keys in his pocket. The manufacturer took the natural course—wrenched off the copper lid, and began to ladle out his soap. When the exciseman came, he declared a seizure of the whole; and it was not without difficulty that the manufacturer escaped the penalty.

“Some years ago the floors of an old-established soap-house gave way under the weight of the frames, of which there were an unusual number full. An immense quantity of soap was spoiled. The manufacturers petitioned the Excise for a return of the duty paid upon this soap, at that time £28 a ton. The Excise replied that they could not set a precedent by returning duty under any circumstances, and the manufacturers were obliged to bear the loss.

“The obstructions offered to improvements are inconceivable. Since 1833 numerous patents have been taken out for improvements in the manufacture of soap, not one of which it has been possible successfully to work. About the year 1839 the Messrs. Hawes took out a patent for making soap by a cold process. The effect of this mode of manufacture would have been a great saving in the cost of production, by saving all the fuel and labour used in boiling. The soap, however, when produced, was a solid soap, and consequently it could not be run into the frames. The excise-officers refused to gauge the soap except in frames, and the supervisor, on being appealed to, said, ‘Oh! this is not soap at all—this is a substitute.’ The patent was consequently obliged to be abandoned. N.B. A soap made by the French by this very process is now selling at every west-end shop in London, and, although subject to a heavy Customs duty, is competing successfully in our own market with soaps of English manufacture.”—*Daily News*.

Space does not permit us to particularize all the vexatious regulations. Suffice it to say, “they impede the manufacture at every step, check the consumption, enhance the price, and cause the production of an inferior article; while they also give rise to a system of fraud and chicanery which materially helps to demoralize the people.”—*Montgomery Martin*.

An excise-officer has been heard to say to a soap-maker, at no distant time: “If we officers were to go strictly by the law, in soap-making, neither you nor we could live.” Sometimes an officer, new to the business or the district, attempts to enforce the regulations strictly, but he must soon relax the vain effort; to persist would be ruin to the manufacturer, or an early and entire stoppage of his works.

Ireland is exempted from the soap duty; the effect of which exemption has been mutual injury to the soap trade of both countries. English soap sent to Ireland is admitted there by the duty being repaid to the manufacturer by the name of drawback, an expensive and cumbrous system of business. The Irish manufacturers complain that their trade is thus injured; while the English manufacturers complain, with as much reason, that the Irish soap, duty free, is smuggled into England without paying the duty imposed upon it for the protection of the English makers. But this is not all. There is good reason to believe that large quantities of soap are sent to Ireland (the English or Scotch makers receiving the drawback), to be smuggled into England or Scotland, free of duty), thus unfairly competing with the honest trader. Owing to this extensive practice of smuggling from Ireland, and the introduction of soap into the retail trade for consumption, which has not been in Ireland, yet has paid no duty (through means which need not be particularized further than to say that corruption or fraud must exist somewhere), it is impossible to state the quantity of soap actually made in England and Scotland. A considerable quantity is exported to the West Indies and Brazil.

There is an import duty on foreign and colonial-made soap, levied at our Custom-houses, of 21s. per cwt. on *hard* foreign, 14s. on *hard* colonial, 14s. 9d. on *soft* foreign, and 10s. 6d. on *soft* colonial. Those import duties have the effect of restricting or almost prohibiting the importation of a superior soap, made in countries where olive oil abounds. This might be of less consequence, now that oils are admitted free of duty, were British soap-makers permitted with safety to make experiments. Being debarred by the Excise regulations from attempting to improve the manufacture, the reformed tariff, which admits their raw materials free of duty (except tallow) has afforded them, or, at least, the public through them, but small relief.

The exportation of the article to the West Indies, South America, and all warm

climates, would be much greater than it is, if the Excise regulation did not restrict the specific gravity to 1.05. A harder quality is better adapted for those climates; and that better quality is being supplied from the United States, where there are no Excise restrictions as here. The cheaper alkali of Britain is carried to the United States, and there manufactured to supply our colonies. The number of revenue officers employed, and expensively paid by the public, to impede this important branch of national industry, which, but for their legal obstructions, might be extended as an article of commercial export beyond any limit that can now be estimated; the expenses of the drawback department of the Custom-house, through the absurd arrangements between England and Ireland; the corruption of public morals through smuggling and fraud so widely diffused, and not believed by those engaged in it to be a crime; the poison of public health, and the frightful accumulation of local rates to encounter pestilence and pauperism, which the ability to obtain, and the habit to use, a sufficiency of soap, might have in great measure averted; all those burdens add to the necessity for the repeal of the duties on soap, and the emancipation of its manufacture.

The only argument urged in favour of the tax, for many years past, has been this, that the Exchequer could not spare the revenue which the tax provided. All advocates of soap-making reform have been met, and most of them silenced, by this argument. The Financial Reform Association offers a substitute, in *direct taxation*, and endeavours, by such facts as those before the reader, to educate the public mind to a full knowledge of the unspeakable superiority, economical, industrial, and moral, of direct, over indirect taxation. Those who are earnest in their desire to remove restrictions from industry, to extinguish such a shame upon legislation and common sense as the soap tax, should be earnest in studying or in teaching with this Association. They have no possible means before them of achieving the same objects otherwise.

SECTION XXIII.

THE EXCISE AND CUSTOMS DUTIES ON MALT AND HOPS.

The malt tax was imposed, like many other taxes, to carry on war with France. It was authorised in the Seventh Money Act of William III., and fixed at 4s. per quarter on all malt made for sale, or used. A tax on hops was imposed at the same time of 1d. per lb.

In 1791, to prepare for war with France again, the malt tax was raised to 12s. 6d. per quarter. In 1802, a year of peace, but also a year of policy, intended to break the peace, it was raised to 18s. 8d.; and in 1804, the war being renewed, and expensive in the extreme, it was increased to 38s. 8d. per quarter. At this it remained until 1817, when it was lowered to 18. 8d. per quarter. In 1819 it was raised to 28s. 8d. In 1823 it was reduced to 20s. 8d. to appease, in some degree, the cry of agricultural distress, raised to a pitch in 1822, never equalled, not even since the repeal of the Corn-laws. Up to 1830 there was also a duty levied on beer brewed by the public brewers for sale. It was 9s. 10d. per barrel on *strong* beer (that generally brewed) but not upon beer brewed for private use; consequently the rich classes who brewed stores for their cellars escaped this tax, as they did in whole or in part, and still do, several other taxes. With the duty on English barley malt at 20s. 8d.; on Scotch bear, or bigg malt, 16s.; with hops taxed at 2d. per lb., and assuming that from two to two and a half barrels of strong beer (say two and a quarter) were brewed from a quarter of malt, the price per barrel was increased by a tax of 25s. Thus—

Duty on malt	20s. 8d.
Duty on 2½ barrels beer	22s. 1d.
Hop duty	2s. 0d.
	—————44s. 9d.

Which divide by 2½ 19s. 11d.

The average price of barley being then reckoned at 35s. per quarter, the tax on malt and beer (exclusive of hop duty) was 160 per cent. on the price of the barley used.

Had this enormous weight of duty on malt and beer the effect, as some hoped it would have, of decreasing drunkenness? Quite the reverse. It limited the consumption of malt. Though the population had more than doubled, the malt made and known to be used in 1830 was less than that used a hundred years before. This may, perhaps, be accounted for, in part, by the increased proportionate consumption of foreign and colonial wines and spirits. The most wholesome of the ingredients of beer was restricted by the law, and drugs not wholesome, poisons even, vitriol, quassia, cocculus indicus, liquorice, molasses, calx, honey, grains of paradise, Guinea pepper, opium, and a variety of other preparations of mineral and vegetable poisons, some expressly forbidden by law, and others permitted, or never contemplated as possible to be used, were introduced into the manufacture of beer with a certain quantity of malt.

But of all the impolitic enactments on beer, or its ingredients, one of the most unwise was the repeal of the beer duty on the 10th of October, 1830, leaving malt and hops taxed as before. This, coupled with the new system of cheap licences, which brought the new class of public houses, "licensed to sell beer to be drunk on the premises," into existence, gave a further inducement to the adulteration of beer. These new houses at once offered facilities and enticements for working men to leave their domestic hearths to become their customers, to enjoy impure society and foul compounds of drugs, while the enormous malt duty, and the monopoly of malt-making, which the law gave to a limited number of maltsters, still discouraged the use of honestly-made beer as a domestic refreshment.

The process of malting is in itself simple; not quite so well fitted for the cottage fireside as the making of tea in a teapot, yet not more mysterious. It consists in wetting the grain (barley is chiefly used) till it begins to sprout, and then checking the vegetable process suddenly by heat. This produces a saccharine substance in the grain, which is the essence of malt. Pale malt is made by a low heat, and brown malt by a strong heat. The pale *should* be used for ale, and the brown *should* be used for porter. But their use is not now as it should be. At one time porter was only known as strong beer, and in acts of Parliament it is so designated. The excellence of the brown malt is said to have been accidentally discovered, by over-drying it. Its liquor, mingled with another, was found to be more palatable and wholesome than the sweet ale. Next, the brewers discovered that a liquor might be made entire to resemble that which was a mixture. Thus arose the name of such a one's *entire*. But the liquor now sold under the sign-boards bearing the word *entire* has little resemblance to the original. The high duties directed the brewers to the study of their malt; how to make the most of the least possible quantity. The brown malt, more wholesome as a tonic, and agreeable to the taste, had become the general favourite of the public, when the brewers found that a greater quantity of wort of a certain strength could be produced from pale, than from brown malt. Brown was, therefore, disused in the brewing of porter, or strong beer. The wort was now pale, and the agreeable bitter taste and flavour had to be supplied from the laboratory, or druggist's store-house, instead of the malt-kiln. Quassia, cocculus indicus, opium, &c., were used.

Since the repeal of the beer duties the restrictions on brewers are simplified. They now consist of a licence to brew, entering the premises at the Excise-office, and in being forbidden the use of any article other than malt, hops, and water. A brewer, using any place or mash-tun for the purpose of brewing, without having made an entry thereof at the nearest Excise-office, forfeits, for every such offence, £200; and all the worts, beer, and materials for making the same, together with the mash-tun, are forfeited, and may be seized by any officer.

Every druggist, vendor, dealer, chemist, or other person selling molasses, opium, vitriol, &c., &c., or any colouring matter, to any licensed brewer, or licensed retailer of beer, is liable to have his stock of goods seized and forfeited, and to be fined £500.

This clause of the law is powerless by its absurdity. Its attempted protection of the malt tax is a licence to evade it, and for the brewer and retailer to adulterate beer without hindrance. Who is to hinder the chemist, or druggist, or drysalter, or "other person"—the grocer for instance—from selling "molasses," or "other colouring matter," to any one that asks to have the article? The excise officers

see this law broken every day; but, though an offender may occasionally be convicted, they can, in general, only turn their backs on the poisoned beer and the poison dealers (the grocers or the *colour* merchants) and walk away. If anything can fulfil the object of this enactment it must be the freedom to use honest malt, at its natural price, free of duty.

The brewer is also prohibited from having in his brewery, or on any part of his premises, or in any mill connected with such brewery, any raw or unmalted corn or grain (horse provender included); and all unmalted corn or grain which shall be found in such brewing premises or mill, and all malted corn or grain with which such unmalted corn or grain may have been mixed, shall be forfeited, and may be seized by any officer, together with all vessels or packages in which such raw or unmalted corn or grain with which the same may have been mixed, shall be contained; and every brewer shall, for every such offence, forfeit £200.

The merchants, or dealers, and their clerks or agents engaged in the export of ale or beer, are required to make oath before the "proper Excise officer," that to the best of their belief such ale or beer has been made *wholly* from malt which has been charged with and paid the duty of 2s. 7d. a bushel (though it be notorious that such liquors have *not* been made wholly from malt). They must also testify in such oath that the quantity of malt used was not less than two bushels, imperial measure, for every barrel (thirty-six gallons) of such beer or ale. And the oaths must include a statement of the place where, and the person or persons by whom, the liquor was brewed, whether the brewer was licensed, and had his premises entered with the Excise; also that none of the ale or beer is entered for the use of the ship's crew or passengers. This swearing completed, the debenture entitling the exporter to a drawback of 5s. per barrel, or 7s. 6d., according to its strength, may be paid. The intention of this enactment is to make a re-payment out of the public treasury to the persons interested in the produce and the rent of barley-growing land. It is a question if it encourages the growth of barley at all, while it is beyond question that it encourages the practice of doubtful swearing.

But the enactments regulating that simplest of manufactures, the making of malt, are more especially the subject of our present inquiry. The various Acts of Parliament, about *forty* in number, were embodied in a general act, that of 7 and 8 George IV.; but that is, also, exceedingly complex. It contains *eighty-three* clauses, with *a hundred and six* penalties, amounting in the whole to £13,500. Almost everything most offensive to common sense in the former acts was retained in this. It was found to be impracticable, and, accordingly, the act 2 George IV. was passed to amend it. Some of the vexatious regulations are repealed, also several of the penalties; still they are severe, and a satire upon the Government of a nation called, and, in some respects, entitled to be called, the freest on the face of the earth.

The maltster must first be licensed to make malt, and must enter his premises at the excise-office, and use no other for any part of his work, no matter what sudden demand for his products may arise. The licence must be renewed annually; but the possession of a licence does not entitle him to take a single step in the way of his business. Before beginning to construct, use, or alter cisterns, couch frames, kilns, or utensils of any sort, he must give a written notice to the exciseman. Nor is it enough that the excise-officer is duly informed of all his plans; the form and size of the implements and utensils are fixed by law. Though he were to discover that he might either expedite his business or improve the quality of his malt by making an alteration in his machinery, he is prohibited from doing so. However ill-contrived the implements to be used may be, the maltster dares neither change nor amend them. Nor, when the cisterns and utensils are constructed according to law, can he use them when and as he thinks proper. Before beginning work he must give twenty-four hours' notice to the excise-officer; and though the excise-officer be duly informed of an intention to make malt, and be present, no grain must be put into the cistern to be wetted, except during certain hours of the day, not judged of by the requirement of each case, but fixed by Act of Parliament. Nor must the grain remain in the cistern over fifty-five hours, else the maltster is liable to a penalty of £100, *unless he intimates to the officer, before wetting it, that he intends it to be steeped sixty-five instead of fifty-five hours.* Should he give this notice, and observe during the period that the grain is being steeped too long, he must neither take it out nor draw off part of the water. Having given notice of

fifty-five or sixty-five hours to the excise-officers, the grain must, at all hazards, remain immersed that exact period of time, or he must choose to incur heavy penalties, or choose the alternative—bribe the excise-officer to break his oath. What a fearful mingling of the solemn and the absurd! Oaths, sworn in the name of Almighty God, grow out of the excise laws like barley sprouts upon the maltster's floor, and, like them, are withered and broken in the process of malting, to override impracticable regulations on the one hand, and avoid the ruinous penalties for over-riding them upon the other.

Though the excise maltster cannot withdraw his grain from the cistern until it has lain the exact number of hours notified to the exciseman before it was wetted, under a penalty of £100, he may change the water in which the grain is immersed; but he must previously intimate his intention of so doing to the officer, specifying the hour when he intends to draw off the water, taking care that it shall be between eight o'clock a.m. to two o'clock p.m., on condition, however, that the grain be again completely covered with water within an hour from the period when the previous water was begun to be drawn off.

If the Excise officer think the grain is more dense in the cistern than the density enacted by the legislature, he may measure it; and if it exceed one-twentieth part the density allowed by law, the maltster shall, for every such offence, or *accident* (unless he palter with the solemn oath of a fallible human being), pay the penalty of £100.

If the maltster shall use more than one cistern, it is enacted that "he shall empty, or take all such corn or grain from and out of all such cisterns *at one and the same time.*" If he should empty one cistern before he begins to empty another, by mistake of negligent workmen, or otherwise, he will (provided the exciseman's oath stand good) be visited by a heavy fine. When one cistern, or a number of them have been emptied, no more cisterns can be emptied in the same place until after a period of four days has elapsed. A heavy penalty also enforces this rule.

The grain, being at length got out of the cistern, must be deposited in *couch frames* in a particular way, and must remain in them for a certain fixed period; and it is enacted, that if the malt, when laid in the couch frames, shall be in any way more than thirty inches deep, a penalty of £100 shall be inflicted. Expensive suits at law, occasioned by unsuccessful appeals against excise informations and magisterial convictions, were recently tried in the west of England. The appeals were unsuccessful. Some of the maltsters were ruined, though proof was given that accidents *might* have caused the variations in the depth of malt in the couch frames. The accustomed officers of the districts, Oxfordshire, Wilts, Dorset, and other parts not named, were supposed to have long connived at fraudulent practices. New officers were sent to supersede them, who, like new brooms, swept clean *while they were new.*

If the malt require sprinkling, as nearly all that is made in England does, according to the quality of the soil in which the barley is grown, and the kind of barley, it must not be sprinkled, under heavy penalties, until it has lain a fixed number of days. Yet in that time the malt may have become mouldy for the want of sprinkling, according to the quality of the barley, and be less or more deteriorated. The various regulations as to sprinkling, and the penalties attached, are too complex to be related here, and a further abstract would be unintelligible.

The maltster must keep a barley-book, at all times accessible to the excise-officer, or incur a heavy penalty, in which must be entered all the barley he buys, the names, surnames, and residences of those from whom he bought it; and containing also a detailed account of all the malt he makes, the names and addresses of the individuals to whom it has been sold, the quantities disposed of to each, with a notification of the hour as well as the day when each transaction took place. The excise-officers may enter the maltster's premises by night or day, according as they may suspect fraud, or be disposed to cause annoyance.

Notwithstanding all those inconveniences, penalties, and absurdities, "causing many most respectable persons and much capital to be driven from the trade; and causing fraud and corruption to pervade all its departments, until the business of malting is infected with all those abuses which inevitably beset every business conducted on fictitious and contradictory principles;"—(*Edinburgh Review*)—notwithstanding all these accumulated ills upon the maltsters, the greater part of them are the earnest advocates of the malt-tax. True, they would willingly be relieved

from the stringent regulations and the penalties ; but they apprehend, with good reason, that if the malting trade were free, the simplicity of the manufacture would attract numerous small capitalists, such as farmers, who would malt their own barley, and thus destroy the strict monopoly which the excise laws now give to the maltsters. Like all other monopolies, the cost of this falls upon the public.

The malt duty has been objected to, with much force, on the allegation that, but for it and excise regulations, farmers would make malt to fatten cattle. The supporters of the duty have combatted this allegation with another—that malt is not an article adapted to the feeding of cattle. We do not undertake to decide this controversy ; but, no doubt, it would soon be decided if the trade were free. It may be remarked, however, that it does not follow that, by permission to make malt complete, the farmers, in preparing food for cattle, would complete the process of either brown or pale malt. They might only steep the grain, and partially dry it ; or they might make malt of maize, or other low-priced foreign grain, to feed with, which they are not privileged to do now. Malt is the only foreign product prohibited under the amended tariff now in force. If it be an article as valuable for the fattening of stock as is alleged by many agriculturists now complaining of distress, the free importation of malt, lower priced than their own barley, would be profitable to them ; but this would affect the excise revenue, and will not be permitted while the malt-tax exists.

Foreign hops are practically prohibited for the protection of the English hop-growers, by a duty of £2 5s. per cwt. The Excise duty on English-grown hops is 18s. 8d. per cwt. This duty is levied on the hops irrespective of quality. In some years, and in some districts in all years, the hop produce is so defective as to make the duty a burthen to be paid out of capital, not out of profit. The hop-grower, like every other person subject to the excise laws, is pestered by the revenue officers ; they regulate the number and place of the hop plantations. These cost from £70 to £100 per acre, and do not always pay the expenses of labour. The excisemen watch the pickers of the hops, the kilns where they are dried, and forbid them to be dried elsewhere than in certain kilns, though the hops should be destroyed in consequence. Indeed, that would not affect the duty, as it would be levied though the hops went to the dunghill. The packing is also supervised by the Excise, and the bags or *pockets* stamped with their marks.

Under the vicissitudes of the weather, and the fly—the latter an insect pest in the hop-grounds more detrimental than any other pest, except the exciseman—the grounds planted have gradually decreased within the last thirty years. Within a hundred years the hops used in a given quantity of brewer's wort have been diminished by one-half. The wholesomeness of the beer has declined with the decrease of the hops ; first, because the hop itself is a wholesome tonic ; and, second, because its place has been supplied in beer by the use of drugs less wholesome, or positively deleterious.

As with malt, the only remedy is the removal of the excise and customs' duties on hops, leaving the genuine article to be freely grown, freely imported, and freely put to use.

We have said that the duties on malt and hops have not diminished, but, on the contrary, have increased intemperance. This might be more amply proved by reference to the increased consumption of low-priced and deleterious English gin ; and further by facts relating to smuggling, and the adulteration of all kinds of spirits and wine, to make them cheap, to take the place of honestly-made malt liquor. But this subject will be treated as appropriately when examining the operation of the wine and spirit duties.

SECTION XXIV.

THE DUTIES ON WINE.

The abolition of the wine duties, 5s. 9d. per gallon on foreign, and 2s. 10½d. on colonial wines, would take £1,700,000, or thereabout, from the Exchequer, and would impose the necessity of raising as large a sum, or one proportioned to that and to the reduced expenditure of a reformed financial system, by *direct taxation*. But though the abolition of those duties would not absolve us from paying an

equivalent amount of taxes, it would bring to an end the premium now offered and paid, to an enormous amount, to the inventor of frauds, the practiser of habitual falsehood in his trade, the perjured swearer of false oaths, that corrector of commercial politics, though moral pest, the smuggler, the dishonest servant in the bonded warehouse, or other place, who cheats or robs the employer that trains him to aid in cheating and robbing other men; the abolition of the duties would set free capital now employed in paying taxes, and the unprofitable retinue of public and private servants, with their assistants, engaged in working out the present system, to be more usefully employed otherwise. It would open or enlarge markets for the products of our mines, foundries, factories, shipyards, and other workshops, now closed against us because we exclude the wines of France, Germany, and other countries, through a duty rising from ten per cent. to twelve hundred per cent. on the price! In France, 3,000,000 of persons are engaged in the production of wine, while not more, it is said, than 100,000 are engaged in those trades for the protection of which British products are excluded, these being excluded chiefly on the ground that we exclude, to a great extent, by our heavy duties the great staples of France—wine and brandy. The taxes paid to the French Government by the 3,000,000 of wine growers over what the 100,000 pay directly in contributions or by their protection, are in proportion to their respective personal numbers. In the impending bankruptcy of the national exchequer in that country, the policy of giving freedom to the products of three millions, rather than protection to the hundred thousand persons must, per force, of itself come into operation. It would come into operation instantly, alike for the good of France and the benefit of England (France more secure from revolution, her armies and naval armaments less, and those of Britain less, and still undergoing reduction as the friendly intercourse and peaceful security of both countries increased), if England were now to make the advance to abolish these restrictive duties.

Owing to the intimate connexion of England and France for several centuries after the Conquest, the wines of the latter were long in almost exclusive possession of the English market; but the extension of commerce gradually led to the introduction of other species, and in the reigns of Elizabeth and James I. the dry white wines of Spain seem to have been held in the highest estimation. This, however, was only a temporary preference. After the Restoration (Charles II.) the wines of France regained their former ascendancy. In 1687 their importations amounted to 15,518; in 1688, to 14,218 tons. It is exceedingly doubtful whether so much as a single pipe of port had ever found its way to England previously to this period. (*Henderson's History of the Wine Trade.*)—And it is most probable that the wines of France would have continued to preserve their ascendancy in our markets, had not their importation been artificially checked. Indeed, during the twenty-five years that the two last of the Stuarts reigned, Charles II. and James II. (two sovereigns neither respected nor respectable), the trade and commerce of England flourished and was augmented to a greater extent than in any other period of five-and-twenty years before the application of steam power to manufactures and navigation, and solely because those two kings and their ministers employed themselves otherwise than in the endless and never-successful attempts of other rulers to regulate trade by law.

As soon as the Prince of Orange got a footing in England, with the crown on his head as William III., his policy was war with France, which speedily became a war upon the commerce, industry, and property of his subjects. We have seen windows, paper, soap, malt, and almost every other product of industry, subjected to excise duties by him and the Whig faction of the aristocracy, who led an ignorant people into war and national debt with the delusive cry of liberty on their lips; and now we have to advert to the ruin of the wine trade with France, for the same ends, by the same parties.

In 1703, the ruin of this trade, which might have been but temporary, was made permanent by the treaty with Portugal, which, from the name of the British minister, was called the Methuen treaty. By this, England bound herself to charge a duty upon French wines 50 per cent. higher than upon those of Portugal, the Portuguese, by way of compensation, binding themselves to admit our woollens into their markets in preference to those of other countries, at a fixed and invariable rate of duty.

By binding ourselves to receive Portuguese wines for two-thirds of the duty payable on those of France, we, in effect, gave the Portuguese growers a monopoly of the British market, by which they became careless of the quality of their wines. They gave a monopoly to the Oporto wine company, which fixed the price at which all wines should be sold, the careful master of the best vineyard being put to a disadvantage beside his negligent neighbour, who, expending less, derived more profit. "On the other hand, we not only excluded one of the principal equivalents the French had to offer for our commodities, and proclaimed to the world that we considered it better to deal with *two* millions of poor beggarly customers than with *thirty* millions of rich ones, but we also provoked the retaliation of the French, who forthwith excluded most of our articles from their markets."—*M'Culloch*.

The historian Hume, in his essay on the "Balance of Trade," published in 1752, said:—

"Our jealousy and hatred of France are without bounds. These passions have occasioned innumerable barriers and obstructions on commerce, where we are commonly accused of being the aggressors. But what have we gained by the bargain? *We lost the French market for our woollen manufactures, and transferred the commerce of wine to Spain and Portugal, where we buy much worse liquor at a much higher price.* There are few Englishmen who would not think their country absolutely ruined were French wine sold in England so cheap and in such abundance as to supplant ale and other home-brewed liquors. But would we lay aside prejudice, it would not be difficult to prove that nothing could be more innocent, perhaps more advantageous. Each new acre of vineyard planted in France, in order to supply England with wine, would make it requisite for the French to take an equivalent in English goods, by the sale of which we should be equally benefited."

Mr. M'Culloch says:—

"In consequence of the preference so unwisely given to the wines of Portugal over those of France, a preference continued, in defiance of every sound policy and common sense, down to 1831, the imports of French wine were for many years reduced to a mere trifle; and, notwithstanding their increased consumption, caused by the reduction of the duties in 1825, the quantity made use of in 1833 did not exceed 252,500 gallons, while the consumption of Portuguese wines amounted to 2,600,000 gallons. This is the most striking example, perhaps, in the history of commerce, of customs' duties diverting trade into new channels, and altering the taste of a people, all but the most opulent classes having been compelled, for a long series of years, either to renounce wine or to use port."

The figures here used, 2,600,000, express the Portuguese wine on which *duty is paid*; but not wine made in this country and fraudulently sold as port. It has been stated in evidence before a committee of Parliament, and by Mr. Williams and others who have written on the wine trade, that about *a third* of all the Portuguese and Spanish wine sold in London as genuine, is a liquor wholly manufactured in this country or in the Channel Islands; and that a large proportion of all the rest is less or more adulterated with substances less or more deleterious. To this branch of the subject we shall revert presently.

In looking at the different rates of duty levied at different times, we see, by the varying consumption, how vitally the duties affect the trade. From 1789 to 1792 the duty on French wines was 3s. 9d., and on Portuguese wine 2s. 6d. per gallon; the consumption of the whole in Britain was, an average of 7,410,947 gallons a year. When the duties, three years after, were raised to 8s. 6d. per gallon on French, and 5s. 8½d. per gallon on Portuguese wines, the consumption which *had paid duty* fell from nearly 7,000,000 gallons in 1795, to 5,752,383 gallons in 1796; and to 3,970,901 gallons in 1797. But this did not prevent the duties from being raised in 1804 to 11s. 5½d. on French, and 7s. 8d. on Portuguese and Spanish. They continued at this rate till 1825; and, notwithstanding the vast increase of wealth and population since 1790, and the general improvements of the style of living, the total consumption of wine during the three years ending with 1824, amounted, on an average, to only 5,248,767 gallons a year; being no less than 2,162,180 gallons under the consumption of the three years when the duty was 3s. 9d. and 2s. 6d. per gallon.

"Making allowance for the increase of population, the consumption of wine in Great Britain fell off more than fifty per cent. between 1790 and 1824."—*M'Culloch*.

But again it must be remarked that this only refers to wine that paid duty, not

to the fraudulent substitutes which the duties brought into an extensive and pernicious use.

The duties, as reduced in 1825, were 7s. 3d. on French, 4s. 10d. on other foreign wines, and 2s. 5d. on those of the Cape of Good Hope, per imperial gallon. In 1831 the duties on foreign wines were equalized, at 5s. 6d. per gallon, and 2s. 9d. on those of the Cape; to which has since been added five per cent., making the duties, as now levied, 5s. 9d. on foreign, and 2s. 10½d. on Cape wines.

Those duties levied without respect to quality are *ten per cent.* on the best kinds, which only the richest classes in this country can afford, and *twelve hundred per cent.* upon the inferior kinds, which are used by the working people of France, and which might be largely, innocently, and beneficially brought into consumption in this country, as a light, refreshing beverage among our workpeople, and as a substitute for liquors less wholesome and more intoxicating.

The principal wines now used in this country are Port, Sherry, Champagne, Madeira, Hock, Marsala, Cape, &c. The latter are thus treated by Mr. McCulloch:—

“Most of the Cape wines brought to England have an earthy, disagreeable taste; are often acid, want flavour and aroma, and are, in fact, altogether execrable. And yet this vile trash, being the produce of a British possession, enjoys peculiar advantages in our markets—for while the duty on Cape is only 2s. 10½d. per gallon, that on all other wines is 5s. 9d. The consequences of this unjust preference are doubly mischievous. In the first place, it forces the importation of an article of which little is directly consumed, but which is extensively employed as a convenient menstruum for adulterating and degrading Sherry, Madeira, and other good wines. And, in the second place, it prevents the improvement of the wine; for, while the Legislature thinks fit to give a bounty on the importation of so inferior an article, is it to be supposed that the colonists should exert themselves to produce anything better? It is not easy to imagine a more preposterous and absurd regulation. The act enforcing it ought to be entitled an act for the adulteration of wines in Great Britain, and for encouraging the growth of bad wine in the Cape Colony.”—*Commercial Dictionary.*

But still more preposterous and absurd seems the law which levies a duty upon foreign wine when it is estimated by its effects. It should also be entitled an act for the adulteration of wine in Great Britain, with the addition, “for poisoning public health, for restricting the commercial intercourse between France and England, and for permanently holding them in an attitude of hostility towards one another, with armies and navies of defiance on each side of the channel.”

(To be continued in a future Number.)

THE LIVERPOOL FINANCIAL REFORM ASSOCIATION.

The *Objects* of this Association are to procure the most rigid economy in the Public Expenditure consistent with good and efficient government; and to change the present system of Taxation, by the substitution of *Direct* for *Indirect* Taxes. The reasons may be found in the Tracts.

Subscribers of 10s. or upwards per annum are entitled to all the Society's publications for the current year, postage free.

Post-office Orders to be made payable to John Smith, Esq., Commerce-court, Lord-street, Liverpool.

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The Tracts may be had at the Office, 26, North John-street, Liverpool, and from SMITH, ROGERSON, and Co., Lord-street; and Sold by all the Booksellers. LONDON: the Trade supplied at the Office of the *Standard of Freedom*, 335, Strand, and by SIMPKIN, MARSHALL, and Co., Stationers' Hall-court; GEORGE VICKERS, Holywell-street, Strand; EFFINGHAM WILSON, Royal Exchange; H. BINKS, 85, Aldersgate-street; Charles Gilpin, 5, Bishopsgate-street; JAMES GILBERT, Paternoster-row. DUBLIN: by Gilpin, Dame-street. MANCHESTER: ABEL HEYWOOD. EDINBURGH: J. MENZIES, Prince's-street.

FINANCIAL REFORM TRACTS.

No. 22.

THE LAWS FOR THE PROTECTION AND ENCOURAGEMENT OF INVENTIONS.

THE Financial Reform Association, in calling public attention to the laws for securing to inventors a property in their ingenuity, have less in view the consideration of the subject as a mere financial matter, than the collateral effect which the policy of recognising the inventors' rights has upon the industrial community of the United Kingdom. As, by the abolition of all duties on commodities, they would set labour free, leaving the State to derive its support from direct taxation, so they desire to liberate ingenuity as much as possible from existing fetters, in order that inventive industry may more effectually subserve the welfare and comfort of mankind.

The Patent-law, as is well known, grants to the first and true inventor of any new and useful art, manufacture, or improvement, the sole right to make, use, and vend such invention for the term of fourteen years, providing that a specification, fully describing the nature of the invention, is lodged in her Majesty's High Court of Chancery, for the purpose of enabling the public to make use of the inventor's discovery after the term of his patent has expired. This recognition of the inventor's right of property in the result of his labour would seem, without the addition of any further stipulation, an advantageous arrangement for the public; because an indirect benefit is conferred on the public, while the invention is being profitably worked by the patentee, and a direct and manifest gain reverts to the community on the expiration of the patent. Indeed, when a right of property in inventions is once conceded, the granting of a patent can only be looked upon as a public guarantee that the inventor shall not be defrauded of his natural rights. The provision, therefore, that at a given time the benefits of the invention shall revert to the public, must be regarded as one of the many regulations with which property of all kinds, in a civilized community, is necessarily fettered for the general good. But this guarantee, whether it come from the Crown, or, as it more properly should, from the Legislature as representing the people, is in reality no gift conferred upon the inventor, although it is found to be an ample inducement to skilful and ingenious men to pursue with energy the discovery of the as yet hidden resources of nature, and to study their applicability to the wants of mankind. There does not, therefore, appear to be a sufficient reason for laying a special *tax* upon this industrious class, merely because they are desirous of reaping some personal advantage from their own labours; and still less rational does it seem that this tax should be paid before they are enabled to apply their discoveries to the public service; more especially as a large portion of the sum is not made available for any public purpose whatever. The system at present pursued in granting patents is founded solely upon precedent or immemorial usage, and as the custom of this country has hitherto been to create sinecure offices, wherever it was possible, so that the Government of the day might thrust their relatives and friends therein, the department which undertakes the conservation of the inventor's

rights has received a fair share of these burdens. The consequence of this is, that, without any legislative authority, largess and money for stamps, amounting in all to the sum of £100, are demanded for the grant of an English patent, exclusive of extra largess for expedition, which it may be found advisable to pay in order to prevent any delay in completing the patent; such grant, when obtained, being, as before stated, a recognition merely of the inventor's natural right to the fruits of his own industry, and not such a gift or privilege as might justly be made a matter of purchase from the grantor.

It may be well, perhaps, here to briefly describe the progress of a patent, from its commencement to its completion, as the remarks that will follow, relating to the working of the patent laws, will be thereby the better understood. An inventor who desires to obtain a patent, say, for example, for improvements in steam-engines, first petitions her Majesty that she will be graciously pleased to issue her Royal Letters Patent on his behalf. This petition, accompanied by a declaration setting forth the nature of the invention, and that the petitioner is the first and true inventor within these realms, is forwarded to the Secretary of State, who, being unable to say anything about the propriety of granting the patent, refers it to the Attorney or Solicitor-General. These gentlemen, being the law advisers of the Crown, and in a measure responsible for their acts in that capacity, take a week to consider the propriety of acceding to the application, knowing only what the title states, viz., that this invention is for improvements in steam-engines. If, within this period of a week, no private party comes forward to oppose the application, the Attorney or Solicitor-General (as the case may be) reports to her Majesty that it is highly desirable that the invention of improvements in steam-engines should form the subject of a patent; whereupon, on the receipt of the Report at the Secretary of State's Office, her Majesty orders that her Secretary of State shall issue a warrant, directing the Attorney-General to prepare the bill or draft of a patent for her signature. This warrant is carried to the Bill-office, over which the Attorney-General presides, and the bill is made out accordingly (if no opposition is lodged against it), and signed by the Attorney-General. The bill, which is in fact the patent in embryo, is then forwarded to the Secretary of State's Office, to receive the Queen's sign-manual, and is thence termed the Queen's Bill. Its next journey is to the Signet-office, where letters of warrant (designated the Signet Bill) are made out in the Queen's name, and sealed with her signet. The Lord Keeper and Privy Seal, to whom these letters are directed, on receiving the Signet Bill, prepares a warrant (styled the Privy Seal Bill), directed to the Lord Chancellor, as the custodian of the Great Seal. When the Privy Seal Bill arrives at the Great Seal Office (which it will do in about four or five weeks from the day the application for the patent was made, if due diligence has been exercised throughout the whole proceedings), the patent is engrossed, and the assistance of those distinguished functionaries, Mr. Deputy Sealer and Mr. Chaff Wax, is brought into requisition to attach to the engrossed parchment a disc of resin, bearing the impress of that mysterious emblem of our liberty, the Great Seal of England. The patent is then completed.

From the above statement it will be readily understood that the granting of patents is an antiquated, senseless, routine business, which, excepting the onerous duty of looking after the fees, might as well be performed by a self-acting machine; for, in the ordinary course of the proceedings, no examination of any kind is made as to the desirableness of withholding or granting the patent; and in any case it is only the Attorney and Solicitor-General, and the Lord Chancellor, who have any jurisdiction whatever in the matter; the other functionaries are merely so many wheels and pinions gearing into a main driving-wheel, which, when set in motion, drives the whole train as smoothly as clock-work, so long as the bearings are kept well lubricated by the contents of the inventor's purse.

Of the cost which this cumbrous and inefficient machinery of offices entails annually upon the inventive community, a tolerably correct estimate may be made from the return moved for in the House of Commons by Mr. Bouverie, and ordered to be printed on the 12th February, 1849. By this return it appears, that in the year 1847 there were 733 applications for patents, of which 498 were carried to the Great Seal; the remainder having been stopped at various stages of the patents' progress for want of funds, or from other causes.

The amount of fees paid, and the mode of their distribution, may be thus stated:—

	£	s.	d.
Attorney and Solicitor-General and their Clerks :			
For granting Reports (704)	2,956	16	0
Oppositions (319) and hearings (222).....	1,808	15	0
Secretary of State's Office : For references and warrants.....	9,387	6	0
Bill Office : For preparing Queen's Bill (the estimated number being 634)	10,017	4	0
Signet Office : For preparing Signet Bill	2,693	1	6
Privy Seal Office : For preparing Privy Seal Bill	2,627	18	0
Great Seal Office : For preparing patent, and affixing the Great Seal thereto	24,217	9	2
Total.....	£53,708	9	8

The proportion of this sum of £53,708 9s. 8d. which was carried to the public account as the yield of the tax upon ingenuity, but subject to the payment of the salaries of the clerks in the several departments above named, amounted to £36,078 18s. 9½d., while the remaining sum of £17,629 10s. 10½d. was appropriated by the following functionaries in the proportion set forth:—

	£	s.	d.
Attorney and Solicitor-General and their Clerks :			
For reports, oppositions, and hearings	4,765	11	0
Signing Queen's Bill.....	3,170	0	0
Caveats, altered titles (£49), and disclaimers (£164 9s.).....	Imperfect return.		
Bill Office :			
Clerk of the Patents on 634 bills	2,377	10	0
Extra fees for grants extending to colonies and extra names in patents	No return.		
Engrossing clerk	665	14	0
Signet Office :			
Clerks, deputies, and record-keepers (by a recent alteration only)	962	19	2½
Expedition fees for "engrossing the official heading" other days than Fridays (£1 11s. 6d. on each patent)	No return.		
Great Seal Office :			
Lord Chancellor's Purse-bearer.....	1,212	14	0
Clerk of the Hanaper	3,954	6	8
Deputy ditto	260	8	0
Deputy Sealer and Deputy Chaff Wax.....	260	8	0
Private seals (on each patent £2 extra, and special journeys from £1 11s. 6d. to £5 5s. extra)	No return.		
Total.....	£17,629	10	10½

There is thus clear evidence that, of the gross amount paid by inventors for the privilege of applying the result of their study and experience to the mutual advantage of themselves and the public, at least one-third is absorbed by placeholders; and with respect to the remainder, the Association have much doubt in assigning to the public service, after deducting the salaries of the clerks in the various offices through which patents pass, a sum greater than that which is paid over for stamps, viz. :—

	£	s.	d.
Stamps (£6) on the bill, the estimated number for the year being 634....	3,804	0	0
Ditto (£30) on the patent, the number for the year being 498.....	14,940	0	0
Docquet stamp (2s.) on patent.....	49	16	0
Total.....	£18,793	16	0

When, however, an inventor has paid the £100 demanded for a patent of protection, his right to the peaceful enjoyment of his invention is only guaranteed to him as far as England is concerned; and, unless he has the means as well as the inclination to make two other applications, and send them through exactly similar ordeals, he must be content to see his invention worked in spite of him in Scotland and Ireland. Patents for these countries must be sued for separately; and, at the lowest computation, exclusive of all extra fees, a further sum of £183 would be required for extending the grant to the United Kingdom, and an additional fee of £4 4s. 6d. for the Colonies and Channel Islands. It may be here remarked, as an instance of what relation the duties performed by the several officials bear to the amount of fees demanded for their performance, that for the report of the English Attorney-General £4 4s. is paid, while the Irish Attorney-General receives £31 10s. for preparing an exactly similar document. Of all the charges upon patents, this appears to be the

grossest imposition; and, as if fees were not rife enough in this quarter, the only investigation which applications for patents can at present undergo, viz., that of a hearing before the Attorney-General, is effectually put a stop to in Ireland, by an opposing party being required to deposit £50 with the Attorney-General's clerk as a preparatory step, without a prospect of its ever being returned; whereas, in England, the whole expense incurred by the opposer is £3 5s. Under these circumstances, there can be no wonder that, to quote from the return, "there has not been any case of opposition tried in Ireland during the last ten years."

The granting of three distinct patents for the United Kingdom of Great Britain and Ireland, in the manner at present pursued, appears to the Association to be a practice altogether indefensible, and therefore demanding instant alteration, for by this system a triplication of officers is necessarily required to perform a set of routine duties of a precisely similar nature in London, Dublin, and Edinburgh. The Crown lawyers for the three kingdoms have severally to report, in utter ignorance of the case, on the advisability of granting a patent for one and the same invention, when an inventor applies for English, Irish, and Scotch patents, and keepers of the Great Seal, sinecurists, and others, are required in each country to give a suitable mysterious dignity to the proceedings. But what seems to the Association to be perfectly inexplicable—on the grounds of justice at least—is, that the policy of limiting the right of a patentee to the beneficial use of his invention in a *portion* only of the United Kingdom should be retained (although by the very act of granting him a patent his claim on the country is acknowledged), while the Government has clearly shown, by the attempts at establishing an international copyright, that the literary author has not only in his native country, but even throughout the world, a natural right to the pecuniary benefits resulting from the exercise of his abilities.

The granting of three patents, when one would give much more security to the patentee, from the fact that in each kingdom protection would date from the same day, can only be looked upon as a happy device for extracting a larger amount of fees than could otherwise be collected; for under whatever aspect it is viewed it will be found to be unjust and impolitic. The immediate effect of this practice is, to deter many English inventors from carrying out their improvements in Scotland, and almost wholly to exclude from Ireland the establishment of new sources of profitable employment which might greatly assist in raising her peasantry from their present state of sloth and degradation to comparative wealth and contentment. To appreciate the extent of this evil, it should be borne in mind that the mere suggesting of an improvement is not sufficient to insure its adoption, even though the improvement may be had for nothing. It is, in fact, the patient application of practical knowledge to the working out of a happy thought that is essential to the advancement of any branch of our manufactures. Without this the indication of an improvement, as set out by a patentee in his specification, would be valueless; but who, unless he could secure to himself at least a prospective advantage, would be found willing to expend time and money in testing the utility of a suggested improvement? When, therefore, an invention is patented in but one kingdom, it may be considered, as a general rule, that the benefits, whatever they may be, derivable therefrom are lost to the other two kingdoms; and thus not only are the inventor's profits curtailed, but the public is also the loser of whatever advantages the discovery was capable of conferring. If, indeed, this were not the case, and inventions were acknowledged as necessary stimulants to the development of profitable fields of industry, we should have Scotland growing rich from the free use of many valuable English inventions which were not patented in Scotland; and Ireland would be reaping even greater advantages from the field of English invention open to her use. The proportionate benefits which would thus accrue to the Scotch and Irish manufacturers, from the right they possess of using English inventions without purchase, may be judged of by a comparison of the number of patents granted during the years 1846-7-8 in the three kingdoms. They were as follows:—

England	494	. . . . .	498	. . . . .	386
Scotland	178	. . . . .	168	. . . . .	150
Ireland	90	. . . . .	76	. . . . .	34

This statement shows that Scotland may appropriate, without payment to the English patentee, on an average 294 of their inventions annually; whilst Ireland may

work 392 annually on the same terms. That this wholesale appropriation does not take place is in no way owing to the laws for protecting and encouraging ingenuity; but the reason why a large proportion of the inventions which are in successful operation in England are not carried to Scotland and Ireland can only be traced to the non-existence, in the absence of the patentee, of any party whose interest it would be to introduce and promote the use of any one of the inventions in those kingdoms. The exorbitant charges for granting patent protection render it imperative that most inventors should narrow their expectations of remuneration, and confine their exertions to one kingdom.

In addition to the sums above enumerated, there are yet some other charges incidental to patents which should not be omitted when the encouragement held out by patent grants to the improvers of our manufactures is under consideration. These are the Stamp-duties and the enrolment fees on specifications. In every patent, it should be remembered, there is a clause binding the patentee to enrol in her Majesty's High Court of Chancery a full and complete description of his invention, within two, four, or six months (as the case may be) of the date of the patent. This specification, which is itself an expensive document to prepare, must be engrossed upon stamped parchment; the first skin, when not containing more than thirty folios of writing, bearing a £5 stamp, and every succeeding skin, when the writing does not exceed fifteen folios, a £1 stamp: the enrolment fees are also in proportion to the length of the deed. A specification of an average length will run to three skins, and therefore require a £5 and two £1 stamps, which, upon 460 specifications, the number enrolled in England in 1847, amount to £3,220: the enrolment fees for the same period were £1,104 13s. 6d.; making a total of £4,324 13s. 6d. beyond the cost of the English grants, and an average of £9 8s. for duty and fees upon each English specification. The same regulation holds good, with regard to stamps, on the Scotch and Irish specifications; but the Scotch enrolment fees, charged at the rate of 8s. 4d. per sheet, are so exorbitant as compared with the English, that the average charge for recording these documents cannot be taken at less than £10 each.* In Ireland the enrolment fees are assimilated to the English.

From the above statement it will be seen that the very lowest sum demanded by Government and its nominees for a patent grant, extending over the whole of the United Kingdom, Colonies, and Channel Islands, is £287 4s. 6d., to which must be added, for enrolment fees and stamps on three specifications, £45 4s.; thus making a total (exclusive of all extra official fees and agent's charges for passing the patents, preparing the draft of the specification, engrossing three copies of the same, and preparing three sets of drawings to accompany the specifications,) of £332 8s. 6d., levied by Government upon every inventor who is desirous of having his right to the benefits resulting from his industry and skill acknowledged in the kingdom and dependencies of Great Britain.

When it is considered that the greater number of valuable inventions emanate from men occupying a humble station in society, it will be readily understood that the outlay required for obtaining merely an English patent is a serious check to the exertions of many inventors,—coming as it does before even a trial of the utility of their discoveries can be safely made; and that the general industry of the country, instead of being stimulated as it might be by means of the Patent-laws, is seriously crippled by a tax which, in great part, goes to pamper indolence. But this heavy and impolitic tax upon the vital source (as the gift of invention may be truly called) of our manufacturing supremacy, is not the only grievance under which inventors labour; for, as the Patent-laws are at present administered, the patentee, when he has obtained the royal grant, can by no means be certain that his invention is secured to himself. There is—1st. The chance that his discovery has been anticipated in the enrolled specification of a prior patent, or was otherwise known to the public. 2nd. That, being also original with another party, it may be found to form the subject of a patent as yet unspecified, but bearing a prior date to his own. 3rd. That, through fraud, it may be included in the specification of a patent having a similar title and bearing a prior date to his own; but which, at the time of his applying for a patent, was lying dormant in an unfinished

* An instance recently occurred of the enrolment fees of a rather lengthy Scotch specification, amounting to nearly £60.

state, ready to be pushed to the seal when a favourable opportunity—such as the surreptitious possession of a valuable invention—presented itself for completing the patent. 4th. That, through fraud, it may have become the subject of a registration of prior date to his patent. In any one of these cases the patent, when granted, would be utterly valueless, and the whole expenses incurred would be sacrificed for a nullity. A correct notion of the magnitude of these several risks may be gathered from a consideration of the following statements:—

I. Patents are granted without regard either to the utility or novelty of the inventions they are designed to protect.

II. Patents are granted under the sanction and by the advice of the law officers of the Crown, who are, in general, in profound ignorance of the nature of the respective inventions sought to be protected; the only exception being when applications for patents are opposed, which happens to something less than one in every four.

III. An application for a patent is never rejected by the law officers of the Crown, unless an opposing party shows, at the time of the hearing, that he is in possession of the same invention.

IV. No description of an invention sought to be protected by patent is ever required by the law officers of the Crown, nor is any inquiry instituted, except in cases of opposition, to enable them to judge whether letters patent should be granted or withheld from the applicant.

V. The Lord Chancellor alone has the power to determine which of two antagonistic parties is the first and true inventor; but this he cannot do until the patent arrives at the Great Seal Office. When a patent is once sealed it is beyond his power to cancel it, or compel its transfer to its rightful owner.

VI. Patentees are, in general, allowed six months from the date of their respective patents to specify their inventions; and until these specifications (which, for the half-year, average about 250 in number) are enrolled, no one can tell the nature of the improvements included under the patents; but specifications, as soon as enrolled, are open to public inspection.

Now, from these statements it will be understood that the mere grant of a patent is no guarantee as to the novelty of an invention, for both the Attorney and Solicitor-General (who are the only parties having the power to examine into the matter) are wholly ignorant of the nature of the invention in question, when they respectively report to the Queen—"That, as it is entirely at the hazard of the said petitioner whether the said invention is new or will have the desired success, and as it is reasonable for your Majesty to encourage all arts and inventions which may be for the public good, I am humbly of opinion that your Majesty may, by your Royal Letters Patent, made under the Great Seal of Great Britain, grant unto the said petitioner the sole use, benefit, and advantage of his said invention." The question, therefore, of novelty must be settled by the applicant, as far as possible, by examining the recorded specifications. But here a difficulty presents itself in the undefined nature of the "titles" under which patents are granted; whereby it is found next to impossible to determine correctly what patents will touch upon the subject of his invention. By reciting a few of the titles which have been approved by the Crown lawyers, this difficulty will be at once appreciated; for instance—"Certain improvements in locomotive engines, and in carriages, chairs, and wheels, for use upon railways, and *certain machinery for use in the construction of parts of such invention.*" This latter clause might refer to the operations of welding, riveting, boring, turning, or even sawing, or it might refer to none of these operations; but if the improvements of an applicant for a new patent are connected with either of these branches of industry, he must not overlook such a title, although in its general character it appears so dissimilar to his invention. Again, supposing the invention to refer to improvements in economizing fuel, and preventing the evolution of smoke from furnaces, the following title of an existing patent should not be passed over—viz., "Certain improvements in machinery for ventilation, and other similar purposes to which the said machinery can be applied;" for the design of the two inventions would be found to be the same. One more instance of blind titles will suffice to show the nature of the inconvenience which the adoption of this practice entails on the patentee—viz., "Improvements in cooking and culinary utensils, and methods

of heating and suspending or fastening articles of domestic use, and similar purposes." The unintelligibility of this title did not prevent the patentee from specifying some hundred things under it as various as could well be conceived, any one of which if embraced under a subsequent patent would render that patent invalid. If, however, the greatest care were taken to ascertain the novelty of the invention, nothing like certainty could be arrived at, because there are always some two hundred and fifty patents the specifications of which are not due, and therefore cannot be inspected. But as no particulars are required to be presented at the time a patent is demanded, it follows that any one, whether an inventor or not, can have a patent; and as patents may lie unperfected for years, and then be suddenly pushed to the seal, every advantage is given to designing men to rob inventors of their discoveries, and specify them on their own account, without the possibility of the aggrieved party being able to right himself, even if the roguery can be proved; the most he can do is to get the patent annulled, and throw the invention open to public use.

These great discouragements to men of ingenuity desirous of conferring on the world the benefit of their talents, might yet be amplified and set in a clearer light by entering into details of the various facilities which are afforded to inventors to scramble for an early date to their patents, and thus to supersede those parties whose applications are proceeding in the ordinary course; but enough has been said to show that the cumbrous machinery employed in the granting of patents provides no security whatever against fraud to the first and true inventor, while the heavy tax which he is obliged to pay for keeping up the present system acts most injuriously on the industry of the country. It would be well if the disadvantages above enumerated were all that the inventor has to contend against; but, by a comparatively recent piece of legislation, bad has been made still worse, for the poor inventor, who formerly was satisfied of the hopelessness of his expecting protection for any discoveries he might effect, is now temptingly offered, at a small cost, the shadow without the substance. The Registration Act of 6 and 7 Vic., c. 65, for granting a three-years' copyright for the configuration of articles of utility, presents one of those too frequently-repeated instances of the folly of the framers of our laws, who, in utter ignorance of the specific subject under their hands, proceed to apply remedies for known or imaginary wants, without so much as asking the advice of a single practical man. The crudities of this class of acts are in general pretty freely exposed by the judges when brought under their official cognizance; but in the case of the act for registering "Non-ornamental Designs," the judicature appointed to decide upon questions concerning the validity and infringements of copyrights, is as unable to give a correct judgment on the law as the framers of it were to form a just estimate of its applicability to the wants of inventors. Incompetence has, in fact, with respect to this act, reigned triumphant; for not only is it framed so as to be scarcely understandable, but it would be difficult to find parties more thoroughly disqualified for the carrying out of its provisions than those who were appointed to superintend its working. In the first place, it attempts an impossibility; for if there be any meaning at all in the act for granting copyrights for original designs having reference to utility, in contradistinction to ornament, the objects intended to be protected thereby must have been such as were protected in no other way, or, rather, which fell short of the scope of the Patent-laws. The impracticability of attempting to draw a line of distinction between designs for articles of utility and inventions, will be presently demonstrated. But if the Designs Act is intended to embrace a portion of those improvements which form legitimate subjects for patents, then is the grossest injustice put upon those, for the most part poor men, who resort to that act for protection. This will be readily seen when it is explained that, in order to register a design, a description and drawing of the improvement for which the copyright is sought must be deposited with the Registrar, and, if approved of, it will be recorded in a book open to public inspection. Now, it has been already said that a patentee lodges no description of his invention at the time of applying for a patent; he, therefore, is not bound to the particulars then in his possession, but can insert in his specification whatever improvements he may acquire in the six months allowed him for specifying,—which improvements, if new at the date of his patent, then become his property. To cite an example: If a party having a patent for "improvements in the production of arti-

ficial light," is desirous of enriching his specification with more improvements than his own ingenuity could furnish, he has merely to pay the fee for inspecting all the designs for gas burners registered since the sealing of his patent, when, by a careful examination of the drawings, he can possess himself of a knowledge of those several inventions, and without hindrance include them in his specification. The effect of this is to compel all inventors who would avail themselves of the Designs Registration Act for protecting their little improvements, to incur the risk of *losing* all right and title to their ingenious contrivances, by following that course which the legislature has provided for their *protection*. To suppose, therefore, that it was ever intended that this act should in any way supersede the Patent-laws, is to assume that the Legislature designed to leave those who resorted to it for protection a prey to heartless injustice. A supposition far more consonant with reason would be, that the object of the act was to protect the authors of ingenious designs which, from having no reference to ornament, were excluded from the previously existing Designs Act, and which, being of but trifling importance in comparison with "inventions," as the term is generally understood, would not be considered a proper subject-matter for letters patent. In taking this view of the case, it is necessary, in order to clear the legislature from the accusation of folly in passing an inoperative law, to presume that the lines of demarcation between mere ornament on the one hand, and invention on the other, can be readily drawn, and that thus the scope of the Non-ornamental Designs Act is clearly ascertainable. A little consideration will, however, show that there is no foundation for such an opinion. The distinction between designs which are essentially ornamental and those which refer to utility, is perfectly evident, because the object to be obtained is different; but where the same object—utility—is common to both, as is the case with inventions and non-ornamental designs, it is obvious that some distinguishing mark must be found before a classification of these two kinds of inventions can be made. Now, the Registration Act, after stating in its preamble that it is expedient to extend copyright protection to designs which are not of an ornamental character, proceeds: "And with regard to any new or original design for any article of manufacture having reference to some purpose of utility, so far as such design shall be for the form or configuration of such article, and that whether it be for the whole of such article or for a part thereof, be it enacted, that the proprietor of such design, not previously published within the United Kingdom of Great Britain and Ireland, or elsewhere, shall have the sole right to apply such design to any article, or make or sell any article according to such design, for the term of three years," &c.

"Form or configuration" is, then, the line of demarcation of this act: that is to say, processes of manufacture are excluded, as also are, practically speaking, arrangements of machinery which may be changed in form, and yet remain the same as regards their mechanical principles; these must, therefore, if required to be protected at all, become the subject of letters patent. But, before this Non-ornamental Design Act can be shown to be a reasonable and just piece of legislation, it will be requisite to prove that *form, having reference to some purpose of utility*, is not within the scope of the Patent-laws; or otherwise the two species of protection will clash and produce the evil results above mentioned. This position it would, however, be impossible to maintain; for the most casual examination of existing patents will show that the contrary is the case; that in fact *form*, in many cases, embraces a principle of action, and thus constitutes a proper subject-matter for a patent. To take a familiar example:—Argand gas-burners have heretofore been pierced at the top with vertical holes, for the passage upwards of the gas to be consumed, and they have thus produced a cylindrical flame; but these burners cast a shadow beneath them which it is desirable to remove; a slight change in the form or configuration of the burner will effect this improvement; for by piercing the holes through which the gas issues in a horizontal instead of a vertical direction (the burner having, at the same time, a suitable deflector applied thereto), a horizontal disc flame will be found, which will illuminate the spot immediately beneath the burner. Here, then, is a new manufacture of gas-burner, which is indisputably a patentable subject; and as the improvement is produced by the new form of gas passages in the burner, it as certainly comes within the provisions of the Registration Act. Examples of this kind might be multiplied *ad infinitum*; but enough has been said to show that the act for registering articles of utility cannot be worked without coming into collision with the Patent-laws, and thereby endangering the

interests of those who have sought the act as a means of protection. In introducing law like that of the Non-ornamental Designs Act, which, from the novelty of its provisions, could be regarded only as an experiment, it would be but reasonable to suppose that such officers would have been appointed for working it out as were well qualified to judge, not merely of the legal scope of the act, but also of its spirit or intention; more especially as great discretionary power is given to the Registrar, which enables him to provide, by bye-laws, in some measure, for the deficiencies and obscurities of the law. An examination, however, of the designs registered will show the incapacity of the officers appointed to work out the provisions of the act, for many designs have been approved of which were drawn in perspective, although it is expressly stated that "the drawings or prints shall be on a proper geometric scale;" and a great variety of inventions have been passed which were altogether inadmissible, and, although registered, the designs are perfectly invalid. The number of designs registered in the year average 324. Of these (to take a larger average than is usually accepted by parties best competent to judge), there are valid, irrespective of the question of novelty, about one in every three; thus making a total of 216 registrations effected annually, contrary to the letter and spirit of the law, in consequence partly of its undefined nature, and partly through the ignorance of its administrators. Now, it is well known that those who principally resort to the Registration Act for the protection of their inventions are poor men, because but £10 is required to obtain a copyright for three years; but if only one-third of those seeking protection really obtain it, there are £2,160 annually drawn from the pockets of, for the most part, poor men, for a mere delusion and a mockery. This statement, although not capable of verification, unless the legality of every registration were tested in a court of law, is, as the Association believe, no exaggeration, but rather an under-estimate, of the actual state of the case; for to this should be also added those registrations which, when granted, become void, from their subjects being engrafted into the specifications of some prior dated patents.*

As respects the judicial provisions of the act, in cases of infringement of copyrights, justices of the peace, having jurisdiction where the offending party resides, are empowered, when not less than two of them are present, to decide summarily upon cases brought before them, and to fine the infringer in a sum not greater than £30, nor less than £5, for each offence. The prudence, however, of submitting questions of this nature to such a tribunal may be estimated, when it is stated that convictions have been obtained on certificates of registration, when the designs were without the pale of the act.† Fines below the specified sum of £5 have also been imposed; and recently a case was heard while but one justice was present.‡ The constant occurrence of such irregularities as these, in courts over which *paid* magistrates preside, demonstrates the incompetency of the tribunal for the duties imposed upon it by the Registration Act; for if the acquirements of magistrates educated for the law are found insufficient to guide them to a just decision, it would be folly to suppose that matters of this nature can with fairness be disposed of summarily, when the legal knowledge of country justices of the peace is confined to a smattering acquaintance of the course to be pursued in cases of trespass and assault. The Registration Act of 6 and 7 Vic., c. 65, may, then, from whatever position it is regarded, be fairly set down as a bungling piece of legislation, inasmuch as all its provisions are either defective or impracticable; and, further, it must be considered as incapable of amendment, because it aims at granting protection to a class of subjects which have no distinct and separate existence; for a line of demarcation between "inventions" proper, and designs consisting only of forms having reference to utility, can be no more certainly drawn than between the animal and vegetable kingdoms.

* The case of "Brett and Little v. Massey," (see vol. xxx. p. 357 of "Newton's London Journal of Arts,") is an instance where, in the absence of fraud, a party registering an invention may be dispossessed of it without the possibility of his obtaining redress.

† In the case of "Margetson v. Wright," the Vice-Chancellor, Wigram, refused an injunction to restrain the defendant from manufacturing the plaintiff's registered labels, on the ground of invalidity of registration; but, prior to this proceeding, the defendant was summarily convicted and fined for the infringement.

‡ "Thoroughgood v. Gallie."

From a careful examination into the nature and bearings of the laws relating to patents and registrations of inventions, of which the above is a brief summary, the Association are prepared to offer the following suggestions for the better security of the inventor's rights—a leading idea in such suggested alterations being to make available, as far as may be, the machinery of officers at present employed in preparing the patent grants.

PROPOSED ALTERATIONS.

1st. That the Registration Act, 6 & 7 Vic., c. 65, be forthwith repealed [because at the best it confers but a specious protection, and opens the door to fraud, by exposing all the inventions for which copyrights are granted to the cupidity of parties holding unspecified patents].

2nd. That the system of granting three distinct patents for the United Kingdom of Great Britain and Ireland be abolished, and that, in lieu thereof, one patent be made to extend over the whole of the British Empire.

3rd. That the cost of a patent extending over the whole empire be reduced to £30 (as a first trial); such sum to be further reduced if subsequently considered desirable.

4th. That patents for minor inventions be granted for a term of five years, at a cost not exceeding one-third of that paid for a fourteen years' patent.

5th. That the patent shall bear date from the time the inventor makes his application; and that such application shall be accompanied by a description or preparatory specification of the invention.

6th. That application shall, as heretofore, be referred to the English Attorney and Solicitor-General; and that, as an appendage to their office, there shall be a Board of Examiners, consisting of not less than three scientific men, whose duty it shall be to examine into the sufficiency of every preparatory specification, and assist the Attorney and Solicitor-General in coming to a right decision in cases of opposition.

7th. That the Examiners be empowered to reject such applications as are not accompanied by a clear description setting forth the nature and object of the invention; to refuse all applications which refer to or embrace more than one complete invention; and to apprise applicants that their inventions are anticipated by unspecified patents when such is the case.

8th. That the Lord Chancellor be empowered to seal the patent, upon receipt of the report of the Attorney or Solicitor-General.

9th. That the whole expenses of the patent be required to be paid within one month from the time when the application is lodged, and that such payment be made before the patent is sealed; in default of payment the application to be considered as withdrawn.

10th. That the stamp duty on specifications be removed; and that the preliminary specifications be recorded in the same office in which the complete specifications are enrolled, and that they be there in like manner open to public inspection.

By the adoption of these suggested amendments, the Financial Reform Association conceive that the Patent-laws might be made to subserve, far more than at present, the healthy encouragement of invention, and thereby greatly assist in advancing the prosperity of the manufacturing and commercial interests of the country.

SPEECH OF MR. EDWARD BRODRIBB,

at a Public Meeting of the Liverpool Financial Reform Association, Nov. 22, 1849,
 RICHARD V. YATES, Esq., in the Chair.

Mr. BRODRIBB said: Of all the political questions which can be submitted to the consideration of a people, the most important to themselves, both directly and indirectly, is that of taxation. It affects them individually and collectively. It is the axis of the whole social system. Personal freedom and national greatness, or their contrary, are bound up with it. The great principles of justice and right are involved in it; and in proportion as these principles influence and govern the whole system, so are the people freemen or slaves. The labour of the peasant, the toil of the artisan, the skill of the mechanic, the profit of the trader, the gain of the merchant, and the produce of the agriculturist, are immediately and directly dependant upon it; and as these are fostered or impeded by it, so, indirectly, are affected the emuneration of the learned professions, the value of house, railroad, and canal property, and the rental of land. The relative position of all classes is determined by it. It moulds the character of the people, and gives form to their institutions. It makes them open, honest, generous, and free; or cunning, treacherous, selfish, and debased. You see, as you survey them, a people active, energetic, and bold, conscious of their freedom in thought and enterprise; or inert, hesitating, and doubtful, the effect of Customs regulations and Excise restrictions, amounting to a system of espionage in all their transactions. The land through its influence is either covered with poor-houses and gaols, or filled with cottages of contentment, and schools of science or art. In the waters around our shores are hovering the preventive service of a marine police, tracking what it has created, the dishonest and the murderous smuggler; or on their bosom are borne the free sails of commerce, carrying the industry of an honest and civilized people to every region of the globe. The Government is carried on by men of the highest intellect and noblest minds, having in view alone their country's good and her national greatness, or it sinks into the patrimony of "family parties" for selfish ends, ruled by favouritism and corruption. The national resources are husbanded in time of peace, alike to spare the people and to defend them in time of needful war, or they are squandered recklessly, alike heedless of the people's suffering or the demands of a future day. Indolence and idleness loll and fatten on the taxes taken indirectly from the poorest, or the very poor cease to be, because industry covers the land, freed from the oppression of fiscal charges transferred from its palsied hand directly to the broad shoulders of property. The power and greatness of England become alike a terror to the tyrant and a defender of the oppressed, or they truckle to the will of an autocrat, and abet while they connive at wrong. Such being the vastness and importance of the subject which we are met this evening to consider, I need offer no apology, but my own inability to do it justice, for bringing it before you and the community at large (cheers).

Before, however, I go into an examination of the details of the system at present ruling in this country, it may be well to remind you that it is of no modern origin. Its rise and gradual development dates from the time of the Restoration—a period during which, up to the passing of the Reform Bill in 1832, the country was ruled entirely by the landed interest and oligarchy. It is essentially their system, and their rule must be judged of by its effects. It has been considerably modified since the Reform era of 1832, in spite of the power and influence of the landed oligarchy, thanks to the indomitable courage and perseverance of what is sneeringly called the Manchester school, and thanks, too, to the statesmanlike foresight and moral courage of Sir Robert Peel, emphatically the minister of the people (cheers). But still the system is the same. If it has been deprived of some of its most hideous features, it still remains an ugly monster, retaining its original organization, if not

vitality, and carries upon its whole form and shape the repulsive aspect of the most unmitigated selfishness. We come not here to denounce classes of men or political parties, but the system which has grown up amidst all parties—the parties have fostered and matured the system—the system is therefore bound up with the parties—the two are indissoluble, they are identical; the system is the result of the parties, and the parties are responsible for the system. The whole must be changed, both the one and the other; but how? The system, by being exposed; the parties, by the destruction of the system. Some think to break up or neutralize the parties by the introduction of other elements into the governing power, and, if they are able, we wish them God speed; but no exposure, I fear, will ever overcome them, and when they are overcome the system remains. But this system, I think, cannot long outlive a full and clear exposure, and, when it goes, its patrons and supporters must follow, as surely as a gang of thieves disperse when all hope of plunder is gone (cheers). Of persons individually, we say nothing; of the system, and parties upholding it, we have no measured terms to use.

It will, perhaps, help us to form a more impartial estimate if we glance at the amount and general heads of expenditure, before we examine the sources whence it is derived. The amount of public expenditure last year was, in round numbers, £59,000,000. The general heads are as follow, viz. :—

Charges of collection,.....	£5,000,000
Interest on debt,.....	28,500,000
War expenditure (including Kaffir war),.....	18,500,000
Civil Government (including the miscellaneous estimates),.....	7,000,000
	£59,000,000

The charges of collection I will dismiss without comment. But I may be allowed to ask by whom, and for whose especial benefit, that debt was contracted, the interest of which is a millstone around our necks to the weight of 28½ million pounds annually? I think I may venture to assert that it was contracted by a Parliament of landowners, for the especial benefit and protection of real property, and, as such, is a burden which ought to be borne by land.

The next item, too, of eighteen millions and a half, for war expenditure, must also be put down to the same account; for it is but very recently we have been again and again told that such is required to save us from foreign invasion and domestic confusion and anarchy, in either of which cases property would be the sufferer, but especially landed property, which, in the event of a successful invasion, would be confiscated.

The expense of civil government, then, is the only item remaining, amounting to £7,000,000, which can be fairly thrown upon the people at large. Now, bearing this in mind, let us turn to the sources of taxation, and see how these burdens are actually borne. The amount raised last year from ordinary sources of revenue was £57,000,000, namely :—

Crown lands,.....	£360,000
Post-office,.....	2,140,000
Income and property tax,.....	5,500,000
Land and assessed taxes,.....	4,500,000
Stamps,.....	7,000,000
Customs and excise,.....	37,500,000
	£57,000,000

Now, I beg you to bear in mind, that the interest on the debt and the war expenditure, amounting together to £47,000,000, are charges essentially for the protection of property, by which I mean fixed property, chiefly landed property and the buildings upon it. But out of this large sum of £57,000,000, what amount does land pay *as such*? This is a very proper question for the people to ask, when they remember that it is the landed proprietors who have claimed, and, till very recently, have exercised, the exclusive function of legislation. Even at this present moment one very active section of the landowners is putting forward a claim to be considered the supreme interest in the State—that to which all other interests are to give way. Remember that it was under the exclusive rule of these landowners that the present system of taxation was matured. And now, how have they dealt with themselves? The re-

venue from Crown lands, being public property, does not affect them. This source of revenue, though figuring in the returns for the gross sum of £360,000, contributed last year only £81,000 net to the Exchequer. The Post-office revenue is not derived from land—it comes from the millions. Income and property tax is contributed alike by all, more largely, perhaps, by the owners of precarious income from trade and professions, than by those of fixed income from property. Stamps are no peculiar burden on land. They are imposed on all deeds of whatever kind, on probate of wills, bills of exchange, bankers' notes, receipts, marine and fire insurances, licences and certificates, newspapers, medicine, legacies, and advertisements. The Customs and Excise do not furnish taxes on land, though they tax most unmercifully some of its products, such as hops, bricks, and malt, but these fall on the *occupiers* of land, and ultimately on the consumers of its produce.

There is then left but one head of taxation, namely, "Land and Assessed Taxes," the gross amount of which, together, is four millions and a half, and out of this how much do you suppose the land contributes? Why, the very modest sum of £1,160,000; while houses alone are taxed in the shape of window-duty—that is, for light and air—half a million more than all the land in the country put together. Call you not this taking care of themselves, imposing £57,000,000 taxes on the country, and only contributing one fifty-seventh part themselves, and yet themselves spending the whole £57,000,000, and spending, too, a very large proportion of it upon themselves? Am I not right in calling it a selfish system? (Yes.) But how have they treated you—you who have no land, but only your labour for your inheritance? Have they taxed that? Yes, but *only indirectly*. But to what amount? Listen. To the amount of THIRTY-SEVEN MILLIONS AND A HALF. How? Through Custom-house and Excise offices. On what? On nearly every article of necessity, whether for food, shelter, health, or education. Do you ask me to specify them? They are malt, hops, sugar, tea, coffee, tobacco, butter, cheese, spirits; they are timber and bricks; they are soap and paper; they are excise licences for leave to exercise your industry (cheers).

The taxes on the produce of land are no less than eleven millions and a half. We hear a great deal of agricultural distress, and how can we wonder at it, seeing there is this enormous amount of tax upon its produce. It consists of the duty on home-made spirits, nearly all distilled from grain, amounting to £5,500,000; malt-tax, £5,200,000; hops, £390,000; bricks, £456,000. It would be a far more sensible plan of relieving the distress of the farmers to take off these taxes, than to transfer the poor and other rates to the Consolidated Fund. Remove these taxes altogether from the land's produce, and you enable the great mass of the community to consume more, and give the farmer a better price, besides liberating nearly twelve millions sterling, wherewith he can prosecute improvements, and by such means successfully compete with the foreigners, greatly to his gain. But transfer the poor and other rates to the Consolidated Fund, and who benefits but the receiver of rent? The landlord is relieved by such means, and not the farmer; indeed, the farmer will be greatly injured, as he himself, as well as his customers, will have to be taxed more for his tea, coffee, sugar, &c., to the extent of twelve or seventeen millions, including the proposed sinking fund of five millions. To suppose, however, such a scheme as an addition of seventeen millions to our present indirect taxes practicable, is clear political lunacy—where, or who is the minister who would dare to propose such a scheme? On the other hand, the removal of these eleven and a half millions of indirect taxes on the farmer is clearly practicable, and only depends upon the farmers uniting with us in a determined demand for their transference, with others, to direct taxation, to be almost immediately accomplished. But why, I ask, should the people of this country be taxed nearly £8,000,000 a year for spirits, which is the amount raised from this source, including the duty on foreign spirits? Why, it is nearly eight times the amount of the tax paid by all the land in the country. If it is replied that the tax is laid on to preserve the morals of the people, I ask why they do not try a proper mode of education for this purpose? or, why is it not made penal altogether to sell spirits? or, why they tax tea and coffee, which are the very antidotes to spirits, and a free and cheap use of which would, in all probability, supersede the use of spirits? or why do they license houses for the sale of spirits, and make a gain of such licences,

which, in this view of the subject, is much like licensing brothels, and making a gain of it? or, above all, how can it be reconciled with morality to draw £8,000,000 from so immoral a source? The morality of the question is all fudge! (cheers.) Spirits, like other articles of general consumption, is a convenient subject for a tax, because its amount is not known, and, therefore, not resisted. Then why tax beer, in the shape of malt and hops? Surely this is a beverage wholesome and nutritious, and a manufacture almost native to this country, which ought, therefore, to be freed from all restrictions tending to impede its development. Besides, beer is essentially the beverage of hard-working people, and one of the most accessible refreshments within their means. It pays, however, nearly five times the amount of the land-tax. Kindred with this is tobacco, another article of consumption general with the labouring classes; indeed, nine-tenths of all the tobacco used in this country is consumed by what are called the working classes, and yet it is taxed to the amount of five millions and a half, or five times as much as the whole land of the country. Consider, besides, what an amount of crime this tax produces, in the premium it offers to, and the encouragement it gives, the smuggler. If there were any argument for the duty on spirits, in that it tends to preserve the morality of the people, by placing spirits beyond their reach, what shall we say to the morality of taxation in this instance. This is a tax that turns honest men into rogues, that corrupts our public officers, that visits the penalties of the guilty upon innocent parties, that fills our gaols with criminals, and burdens our county and borough rates with heavy expenses (cheers). It has nothing to plead in its favour; in every respect it is indefensible. Next come the articles that minister so much to our domestic and social comforts,—sugar, tea, and coffee. Where is the home, however humble, or the board, however frugal, that does not think itself unfurnished where these are wanting? The people of all classes covet them, and the very poor, perhaps, the most of all. The reason may not be difficult to assign. The meals they furnish are produced the most readily, and with the least trouble; added to which, they are great promoters of sociality, without leading to intemperance or excess of any kind. Indeed, perhaps, nothing has tended so much to civilize and soften the ruder manners of the more uneducated classes as the use of these foreign products. They have carried refinement with them, both of habits and mind, wherever their use has been continuous; the pot-house and the wrangling club have found in them their greatest enemies. The drunkard by them has been reclaimed; the truant from home restored. Desolate hearths have been made glad, and weeping eyes dried up, as by their influence husband, son, or brother, has been won back to the endearing delights of home. Many is the child who dates from such a period the first anxious care of a father regarding his education and morals. From that day the father discharged his highest duties to the state; and how has the state repaid him? By taxing these three articles together to the amount of eleven millions annually—ten times the amount of the tax contributed by the costly protected land. Nor do your cottages escape, the materials of which they are constructed being taxed in the shape of bricks and timber to the amount of twelve hundred thousand pounds—again a sum exceeding that of the land tax. Then comes paper, laden with a tax of three-quarters of a million. In these days, when so much is said about the education of the people, and such efforts and sacrifices are made for its advancement, is it not an anomaly that such a tax should exist? This is in addition, too, to the stamp tax on newspapers, and the stamp tax on advertisements, which together bring the taxes on knowledge up to a sum of one million and a quarter, again exceeding the land tax. But your very liberty to exercise your industry is taxed at a rate equalling the tax on land. The Excise licences produce no less than one million one hundred thousand pounds. And what do they consist of? Leave to sell goods by public auction; leave to brew beer; to sell beer, by retail; to sell tea and coffee; to make glass, malt, paper, or soap; to deal in spirits, either wholesale or retail; to manufacture tobacco; to sell tobacco or snuff,—to deal in them wholesale or retail. Was there ever such a catalogue of restrictions in a free country? Talk of free trade and free industry, when people are compelled to purchase their leave to labour before they can be in a position to be taxed, much less to live! Why, it is absurd! it is revolting! But perhaps the greatest infamy attaching to this most infamous of systems is to be found in the two remaining taxes, the only others I shall specially refer to this evening. They are the tax on soap of one million, and the tax on light

and air of one million six hundred thousand pounds. Of all the taxes I have enumerated, these show the cant of official men and of the Parliament in the most odious colours. They have been busying themselves with sanitary regulations of all kinds, putting you to enormous expenses, disturbing the rights of property, busying the humbler classes for filth in their persons, their garments, their houses, returning them on the necessity of ventilation in their dwellings, and yet they tax the very elements of cleanliness, and of a free circulation of air, to the amount of between two and three millions a year, being twice or thrice as much as they, with all their wealth, and all their purity, contribute themselves from all their broad acres. Out, I say, upon such hypocrisy! The simple repeal of these taxes would do more for sanitary improvements than all their acts of Parliament, carried out in the most efficient way, by all their costly commissions and commissioners called into existence for that purpose.

Here we have an amount of nearly forty millions weighing on the springs of industry. Taking into account the profit that must necessarily be put upon these forty millions, for employment and risk of such capital, it will amount to fully fifty millions taken from the people. This is what Porter describes as "weighing with destructive force upon the springs of industry;" and he is right in so describing it. It destroys industry by preventing its development. A small huxter, who could find £3 10s. to buy his chest of tea with, and who, by selling that tea at 1s. 1d. per lb., could clear 20s., or, at 1d. per oz., could clear £2, must forego the profit of this industry altogether, unless he can command £9 3s. 1d. wherewith to pay the duty. The consequence is, that he is doomed to idleness, and, most likely, to pauperism; and thus becomes a burden on the resources of others, instead of being able to contribute himself out of such earnings to a direct tax, and thus diminish the burden of others.

But this is not the only evil of the tax. The effect of it is, that the tea, instead of being sold at 1s. 1d. per pound, is sold for 4s. per pound; and instead of 1d. per ounce, it is sold for 3d. per ounce; and, at this latter rate, does not pay the dealer so good a profit, in proportion to capital employed and risk run, as at the former rate. The increased price is no extra gain to the dealer; it is all caused by the tax, and the additional taxation of the indirect system. Besides, it prevents any but men of large means from engaging in the trade, and, to a certain extent, creates a virtual monopoly. This property is not peculiar to the tea tax, only that the tax on tea is heavier than any other, save the tobacco tax; but it is common to every tax on any article whatever. The destructive tendencies of this system on industry are, therefore, apparent. How, but by their industry, are the great masses of the people of this country to live? Indeed, it is only by the industry of the masses that any class of the community are exempted from the necessity of toil; for what is rent or interest of capital but a portion of the gains of toil, given up by those who labour to those who possess either the land or the capital. The freer, therefore, labour is to work, the greater security both for rent and interest (cheers). Now, we maintain that the present system interferes with this freedom of labour, by imposing such requirements on its exercise as are beyond the means of the great bulk of the people; the consequence of which is, that large numbers are altogether idle, and become a burden on the few who can labour, thereby reducing the fund out of which rent and interest are provided. But idleness is not the only evil of the system. If people are not employed profitably, and for good, they will be employed unprofitably, and for evil. Strictly speaking, there can be no such thing as idleness to man, as man. His spirit is ever active. It is the law of his nature. If by its activity it cannot rise to good, it will sink to evil; and how can it be expected that the moral part of man should be otherwise than affected, if not formed, by his outward circumstances and external condition? If he sees that labour, his only inheritance, is destroyed by the artificial laws and regulations of his fellow-man, placed above him in the scale of society by birth, and perhaps by education, how can we wonder if he refuses his homage to the wisdom of the one, or his hearty acquiescence in the requirements of the other? If, on remonstrance, he finds that he is treated with cold indifference, if not even with expressed contempt, how can we wonder if he becomes disaffected and impatient? If, on examination, he finds that the system by which he suffers in his labour is based on the grossest selfishness and injustice, how can we wonder if his disaffection and impatience rise to open ani-

mosity and resentment? If experience confirms him in the belief that its effect upon himself and his family is the deprivation of every luxury otherwise within his reach, of every comfort which he has a right to look for—that it is the embitterment of every social tie, the disruption of the dearest relationships of life—are we to be surprised if his charity begins to fail him, and he learns to regard his fellow-man not as his neighbour? (No.) But when he finds that the simplest necessities of life, even the means of personal cleanliness, are put beyond his reach,—that his very shelter is interfered with by this odious system of taxation, need we wonder if he begins to regard his fellow-man as his enemy, and to burn with hatred and revenge? And, to crown all, when, on retiring to his wretched home, he finds himself immured in a dark, dismal dwelling, into which the tax-makers have forbidden the air of heaven to circulate freely, and the light of the sun to stream in with its cheering and life-giving rays—from their absence converting his dwelling into a den of pestilence, in which he is compelled to shut himself up, as it were, with living death—can we wonder if any longer he ceases to have even the outward appearance of a man, and that he becomes more like a fiend incarnate than an image of his Maker? And yet, is not this the fact? That I have not overcharged the picture—nay, that I have fallen far short of the reality, let the awful revelations in the *Morning Chronicle*, under the head of “Labour and the Poor” bear testimony. Who, but for its disclosures, would have believed in such a state of the social wretchedness and misery, of the moral degradation and infamy, of millions of our fellow-subjects, brethren, and Christians? All honour to the proprietors of that paper for their philanthropy and moral courage in exposing such a state of the social system! (cheers.) Let us hope, too, that the party whose organ it is understood to be are preparing earnestly to grapple with the evil so as to ensure its instant removal; and let us press upon them that our taxation system is, as we believe, at the foundation of all this wretchedness and wrong. At the coming exhibition of the world’s manufactures, under the patronage of his Royal Highness Prince Albert, I would recommend that some specimens of these degraded humanities be shown, and that they be labelled as the manufacture of Christian England’s cherished system of taxation. In conclusion, I will only remark, that this unjust system has been established and matured by violence to the genius of our constitution. Its boasted feature is, that taxation and representation go together. We have seen to-night, that the possessors of land have held exclusive power in the legislature while this system has been matured, and that they have spared themselves, while they have taxed those who are unrepresented. We know that they have refused, and continue to refuse, to admit the taxed to their fair share in the representation, and thus in practice they give the lie to what in theory they extol. We now give them their choice, and it is, to give every man a vote who in any shape pays a tax, or to exempt from the payment of any tax every man who has no vote. Of the two they may take their choice, but they must elect either the one or the other (loud cheers).

THE LIVERPOOL FINANCIAL REFORM ASSOCIATION.

The *Objects* of this Association are to procure the most rigid economy in the Public Expenditure consistent with good and efficient government; and to change the present system of Taxation, by the substitution of *Direct* for *Indirect* Taxes. The reasons may be found in the Tracts.

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FINANCIAL REFORM TRACTS.

No. 23.

INDIRECT TAXATION.

(Continued from No. 21.)

THE DUTIES ON WINE.—Continued.

FROM an official return, in 1835, it appears that 210 pipes of port wine had been imported into the Channel Islands from Portugal in the eight years ending 1833; while, in the same period, 2,072 pipes of port had been imported from the Channel Islands into London.

On the 24th of August, 1842, a case came before the magistrates of Birmingham, in which an auctioneer had sold a quantity of alleged wine for one B., a wine merchant, to several persons, one of whom, Mr. Bond, of Briery-hill, Dudley, summoned B., the wine merchant. It was stated in the invoice, to be a "pipe of fine port wine," and, in a note accompanying it, it was represented as of "good quality," and the words were added, "I hope it will ensure your future favours." Proof was adduced by the cellarman of B. that, by his orders, he took a good old pipe, having all the marks of one which had contained good old port wine, and into this cask he put 120 gallons of stuff, consisting of sixty gallons of *cider*, fifty gallons of Spanish red wine, known by the name of *pontac*, which was to give the whole a good colour, and to this he added ten gallons of *British brandy*. The whole was then well shaken up, the good old pipe headed and despatched to Mr. Bond, in pursuance of his order for a "pipe of good old port wine." Then came the defence of this wine merchant through his counsel. He said there was a difference between *public-house wine* and wine for a private table. This was a *public-house wine*, and sold at a price accordingly.

This is but one of cases innumerable that might be referred to as publicly known; while the imposition detected, yet never publicly known, or committed, and not detected, exceeds all estimate. Nor do the wine merchants only prepare the *public-house wine*. Here are instructions to publicans from a source not to be doubted:—

"To Colour Claret and Port.—Take as many as you please of damascenes, or black sloes, and stew them with some dark-coloured wine, and as much sugar as will make it into a syrup. A pint of this will colour a hogshead of claret. It is also suitable for red wines, and may be kept for use."—*Vintners' and Licensed Victuallers' Guide*.

Of course, the "Guide" does not explain why the claret or port are to need colouring. It is not supposed that they will be pale through age in the vintner's cellar; but that they are liable to become pale, being fictitious from the first. But such fraudulent wines may possess too high a colour. Here is the recipe for redness:—

"If a butt of sherry is too high in colour, take a quart of warm sheep or lamb's blood, mix it with wine, and when thoroughly fine, draw off, when you will find the colour as pale as necessary. The colour of other wines, when required, may be taken off in the same manner."—*Vintners' and Licensed Victuallers' Guide*.

Here is another recipe from a work entitled "Wine and Spirit Adulterations:":—

"To give a Beautiful Red Colour.—Take of raspings of red Sandar's-wood six ounces, spirits of wine one quart; infuse fourteen days, and filter through paper for use. It produces a beautiful red colour for port wine."

The "Mechanics' Magazine" gives this recipe for a bottle of cheap port wine:—

"Spirits of wine, three ounces; cider, fourteen ounces; sugar, one and a half ounces; alum, two scruples; tartaric acid, one scruple; strong decoction of logwood, four ounces."

The "Quarterly Review," 43rd number, says:—

"The manufactured trash which is selling in London under the name of Cape, Champagne, Burgundy, Barsac, Sauterne, &c., are so many specious poisons, which the cheapness of the common and inferior wines of the Cape allows the vendors of them to use as the bases of the several compositions, at the expense of the stomach and bowels of their customers."

The reasons of the "Quarterly" would have been more correct had they expressed that the duties upon good foreign wines gave the adulterators such a certain profit, that they bring into operation all manner of scientific frauds to produce cheap wines. Here is a recipe from a "Wine Guide":—

"To make Port.—Take of good cider four gallons; of the juice of red beet, two quarts: brandy, two quarts; logwood, four ounces; rhatany-root, bruised, half a pound. First infuse the logwood and rhatany-root in brandy and a gallon of cider for one week, then strain off the liquor, and mix the other ingredients; keep it in a cask for a month, when it will be fit for bottle."

"Large quantities of fictitious sherry are manufactured in this country, of which some of the cheaper wines form the basis. To these are added brandy-cowe, extract of almond cake, cherry-laurel water, gum, benzoin, and lamb's blood, as occasion or variety may require. Claret is equally adulterated as other wines. A small portion of Spanish red wine, with a portion of rough cider, previously coloured by means of berry dye, or tincture of Brazil-wood, is added to a cask containing inferior claret."—*Wine and Spirit Adulterations.*

"The Cape wine generally sold to the public is composed of the drippings of the cocks from the various casks in the adulterator's cellars, the filterings of the lees of the different wines in his cellar, any description of bad or spoiled white wines, with the addition of brandy or rum-cowe, and spoiled cider. The *delicately pale Cape sherry*, or *Cape Madeira*, at *astonishingly low prices*, and, of course, for *ready money*, is composed of the same delicious ingredients, with the addition of extract of almond cake and lamb's blood to decompose its colour, or, in the phraseology of the trade, to give it complexion."—*Wine and Spirit Adulterations.*

Champagne, from its high price, is a fruitful subject in the hands of British wine-makers. Most of the second-rate champagnes sold in this country are prepared from the juice of acid fruits—such as the gooseberry. A species of pear is now grown for the purpose, on a large scale, in Herefordshire. Many of the ingredients in the imitated champagne are of a highly deleterious character, indeed positively dangerous, and, in some instances, productive of sudden death.

"Such is the common adulteration, by means of lead, which is practised to a great extent. It consists of a solution of sugar of lead in water, with a small allowance of alcohol. By adding a little nitric acid, and then a little sulphuric acid, to a tumbler full of this fluid (champagne), I have lately seen a deposit of sulphate of lead, in the form of white flakes, filling one-third of the glass."—*Dr. Lee.*

"To hinder Wine from Turning.—Put a pound of melted lead in fair water in your cask, pretty warm, and stop it close." And "To soften Gray Wine.—Put in a little vinegar wherein litharge has been well steeped, and boil some honey to draw out the wax, and strain it through a cloth, and put a quart of it through a tierce of wine, and this will mend it."—*Secrets belonging to the Mysteries of Vintners.*

"To clear Muddy Wine.—Gypsum or alabaster is used to clear muddy wine, also fresh-slacked lime, and the size of a walnut of sugar of lead, with a teaspoonful of sal enixum, is put to forty gallons of muddy wine; and hence, as the sugar of lead is decomposed and changed into an insoluble sulphate of lead, which falls to the bottom, the practice is not so dangerous (!) as has been represented."—*Licensed Victuallers' Guide.*

But listen if it be not dangerous.

"Wine merchants persuade themselves that the minute quantities of lead employed for this purpose are perfectly harmless; but chemical analysis proves the contrary, and it must be pronounced as highly deleterious. Lead, in whatever state it is taken into the stomach, occasions terrible diseases, and wine adulterated with the minutest quantity of it becomes a slow poison. The merchant or dealer who practises this dangerous sophistication adds the crime of murder to that of fraud, and deliberately scatters the seeds of disease and death among those who contribute to his emolument."—*Accum's Culinary Poisons.*

"Oxides of lead, having the property of forming with the acid of vinegar a salt of an agreeable taste, which does not alter the colour of the wine, and which, besides, has the advantage of stopping fermentation and putrefaction, might be very well employed to remedy the acidity of wine, if lead and all its preparations were not pernicious to

health, as they occasion most terrible colics, and even death, when taken internally. We cannot believe that any wine merchant, knowing the evil consequences of lead, should, for the sake of gain, employ it for the purpose mentioned; but, if there be any such persons, they must be considered as the poisoners and murderers of the public."—*Chemical Dictionary. Article Wine.*

But we have just seen lead recommended in the "Licensed Victuallers' Guide," and it is alleged by several authorities that nearly all the imitations of champagne, called by that name, and extensively in use in this country, contain it less or more. But lead is not the only deleterious ingredient in use. Arsenic, and even corrosive sublimate, are mentioned. Professor Christison, of Edinburgh, relates a case in which arsenic was taken in champagne to the immediate danger of life

"The family of a Baronet, in Roxburgshire, with several visitors, in all six persons, were taken severely ill after partaking, during dinner, of champagne. The symptoms were severe pains of the bowels, sickness, and vomiting, which continued until next morning. During the night all were affected with a sense of heat in the stomach, throat, and mouth, and in the morning the lips became encrusted, and the skin cracked and peeled off. For three or four days the whole party had a disinclination to eat. The remains of a bottle of champagne, used on this occasion, were tested with sulphuretted hydrogen gas. Two ounces of the wine gave one grain and a quarter of the sulphuret of arsenic, corresponding to one grain of the oxide of arsenic."—*Edinburgh Medical and Surgical Journal, vol. 23, page 67.*

"Factitious wines have the following articles added to them in the publican's cellar, to give them flavour as they may require:—Bitter almonds to give a nutty flavour; sweetbrier, orris-root, clary, cherry-laurel water, and elder flowers, to form the "bouquet" of high-flavoured wines; alum, to render meagre wines bright; Brazil-wood, cake of pressed elder berries, and bilberries, to render pale faint-coloured port of a deep rich purple colour; oak sawdust, and the husks of filberts, to give additional astringency; and the tincture of raisins, to flavour port wine that has no juice of the grape in its composition."—*Abridged from Licensed Victuallers' Guide.*

"TO PRODUCE A CRUST ON THE BOTTLES FOR AGE.—Take a saturated solution of cream of tartar, coloured with Brazil wood, or cochineal; also, stain the lower part of the corks to imitate the red colour of port, so that when drawn they may indicate the length of time the wine has been bottled."—*Ibid.*

The Financial Reform Association do not hold out the hope that all such practices of deception would cease with the abolition of the wine duties; those practices have been too long in operation, and are too generally in use, to be readily abandoned; but as they are in great part the result of the duties, it may be reasonably expected that a more genuine article obtained at the same, or a lower, price than that of the fraudulent and poisonous wine would be preferred; and this would be found in the market in the absence of the customs duties. In the autumn of the year 1847, one of the members of the association, travelling through the south of France, saw innumerable tons of grapes rotting on the ground for want of gathering. The owners had not casks for storing the wines. Had not the English been prevented, by the high duty, from drinking the cheap wines of France, casks would, no doubt, have been provided, this waste would have been avoided, and our people would have been refreshed with a wholesome and pleasant beverage, instead of the deleterious compounds above alluded to; and what is still more important, our workmen in the manufacturing districts would have been employed in making goods to send in return for the large import of wine from France which would take place if the heavy duty were removed. They conclude this Section as they began by remarking that though the abolition of the duties would not absolve us from paying a tax proportioned to the amount of the wine taxes, and the reduced expenditure of a reformed financial system, through DIRECT TAXATION, the abolition of the wine duties would bring to an end the premium now offered and paid to an enormous amount to the inventor of frauds, the practicer of habitual falsehood in his trade, the perjured swearer of false oaths, that moral pest the smuggler, the dishonest servant in the bonded warehouse, or other place, who cheats or robs the employer that trains him to aid in cheating or robbing other men. The abolition of the duties would set free capital now employed in paying taxes, and the unprofitable retinue of public and private servants engaged in working out the present system, to be more usefully employed otherwise. It would open or enlarge markets for the products of our mines, foundries, factories, ship-yards, and other workshops. In short, it would enlarge profitable industry, improve morals, and protect public health.

SECTION XXV.

DUTIES ON SPIRITS.

There are two scales of duties on spirits; one levied by the excise, on spirits distilled in the United Kingdom; another levied by the customs, on foreign spirits imported. The first is levied in England, at the rate of 7s. 6d.; in Ireland, 2s. 8d., and in Scotland, 3s. 8d. per gallon, yielding about £5,200,000. The second is levied at the rate of 15s. per gallon on foreign, and 8s. 10d. per gallon on colonial spirits,—yielding about £2,500,000; together £7,700,000 in round numbers.

This is a large amount of revenue, and is obtained from a commodity, supposed to be as fit a subject for taxation as any that returns money to the Exchequer. Perhaps there is less evil in taxing spirits than there is in taxing any other article of commerce. That may be admitted, while a strong case can still be made out against the spirit duties. In doing so, we may first glance at an objection urged to their repeal. It is believed, or alleged, that the absence of the duties would so reduce the price of spirits as greatly to increase intemperance. That, if the duties were removed, a quantity of spirits, costing seven millions seven hundred thousand pounds sterling, or more, would come into consumption, in addition to the quantity now used! This allegation may astound those who do not investigate such questions for their own information; but it is altogether fallacious. Let us glance at some of the facts and reasonable assumptions which stand opposed to it.

If cheapness of intoxicating drinks promoted drunkenness as a rule, those classes of society which have the highest purchasing ability should, as a rule, be the most drunken. The converse is the fact. We must, therefore, look for a disposition to drunkenness in some other cause than cheapness. In the United States there is no excise duty. Spirits, equal to "proof" strength in Britain, may be had at *one shilling a gallon*. Listen to one of the most recent English travellers in that country, on this subject:

"In our three thousand miles' tour in the United States, dining at a public table five days in the week, on an average, we had occasion to remark how little wine was used. At Boston, New York, and Philadelphia, there was not more than one person in ten who indulged in iced champagne, tempting as that beverage was in hot weather. Of malt liquor we saw no consumption, but at Sara'oga, where one pint bottle was asked for. No spirits were presented at table anywhere. It appeared to us that drinking was eschewed by some as a vulgarity, by many as an immorality, and by most as injurious to health. At Hartford I attended a temperance meeting, and heard the Rev. Dr. Hawes say that he did not know of a single member of a congregational church, in all the State of Connecticut, who used or dealt in intoxicating liquors. Wherever we went, except at the smaller hotels in the smaller towns, the bar at which spirits are supplied was banished to some obscure part of the house, that, if men went to it, they should not offend the general sense of decency and propriety; and we heard that tippling was considered among the working classes generally as a disreputable thing. When one class avoid it as a detraction from their gentility, and another as a lessening of their respectability, the temperance cause will prosper. We did not see one in twenty who drank anything but water. With these examples before them, it is hoped that British and Irish immigrants will be induced to abandon *the habits of the "old country,"* which either send them to an early grave, or condemn them to a life of poverty, wretchedness, and degradation."—*Prentice's Tour in the United States, in 1848.*

From this, as from other testimony, it appears that America is supplied with its intemperate classes from the "old country," where there are high duties on spirits, and that, under other influence, they gradually become more intemperate, though the proof spirits be threepence a quart—one shilling a gallon.

An American writer, of authority, strengthens this view of the case. He says:—

"The bar-rooms are rapidly vanishing into thin air. If travellers will write the rest into non-existence, ninety-nine out of a hundred will say amen! Captain Hall, fifteen years ago, complained that the people in stage-coaches drank so much brandy as to be quite offensive. Mr. Dickens, in 1842, complained of temperance being so general, that, on more than one occasion, he could not obtain a glass of brandy. The writer, in 1843, dined at some fifty *tables d'hôte*, in different States, and he can confidently state that, of all the guests at the fifty tables, not one in ten drank anything but water."—*Putnam's American Facts.*

In the parliamentary evidence on drunkenness, taken in 1834, it is proved that,

in times of depressed trade and general distress, more drinking prevails than in times of full employment and general prosperity. This has, subsequently, been ascertained to be true in Manchester, Liverpool, and other towns in Lancashire; the pecuniary ability to procure intoxicants is not, therefore, the disposing cause of intoxication.

It does not fall within the scope of the present inquiry to go into the causes or the cures of drunkenness. It is enough to show that neither in this country nor in America, nor in any country in Europe, does intemperance increase with the ability to purchase strong liquors. But we have abundant evidence (and it is the object of the present inquiry to refer to it), proving that the duties in this country are productive of serious evils—moral and commercial.

Having said so much of adulteration, in connection with malt liquors and wines, it might suffice here to give a list of the articles used in adulterating spirits, and there leave the subject. But the fraudulent practices in respect of foreign and British spirits, extend beyond the adulteration. First, however, to dispose of that.

In the case of *gin*, water being, in the first place, used to increase the quantity, strength and flavour fail. It is then necessary to use the following ingredients, more or less, according to circumstances:—*Oil of vitriol, oil of cassia, oil of turpentine, oil of currays, oil of juniper, oil of almonds, sulphuric ether, extract of capsicums, extract of grains of Paradise, extract of orris-root, extract of angelica root, sugar, &c. &c.* The flavour and taste of the genuine liquors require to be imitated by the exercise of knowledge that may be called scientific. Various guides are printed and privately supplied to members of the trade, particularly in London. "Palmer's Publican's Director," and also the "Vintners' and Licensed Victuallers' Guide," give the following recipes for gin:—

"Take one hundred gallons of unsweetened gin, three pounds of coriander seeds, four ounces of bitter-almond cake, three ounces of orange-peel, two ounces of angelica seeds; cassia, one ounce; orris-root and capsicums, of each half an ounce. Steep the seeds, &c. (first bruised), in a portion of gin for six days; strain and press them out, and add the rest; then add eighteen pounds of lump sugar. Fine with one pound of alum, and four ounces of salt of tartar, dissolved in water."

"To make up thirty gallons of raw spirits into *cordial gin*, get as follows:—Two pennyweights of oil of turpentine, three pennyweights of juniper berries, two pennyweights of oil of vitriol, two pennyweights of oil of almonds, one pint of elder-flower water; kill the oils with a pint of spirits of wine, and add about eight pounds of loaf sugar, twenty-five gallons of spirits, one in five, which will bear five gallons of water; rouse it well, and, in order to fine it, take two ounces of alum and one of salt of tartar; boil it till it be quite white, then throw it into your cask, continually stirring it for ten minutes; bung it up, and when fine it will be fit for use."

But should the gin, from too much water, or other cause, lose the *heads* or heading on top of the measure, when drawn for use, it may get a new head to indicate strength thus:—

"Take oil of vitriol one desert spoonful, one ditto of common oil of almonds, mix them well with a portion of spirits of wine, and add the whole to one hundred gallons of made-up gin."

Cognac brandy is generally adulterated with the cheaper Spanish aguardiente, Bourdeaux brandy, old neutral-flavoured rum, rectified spirits, British-brandy-bitters, British brandy, cherry laurel-water, extract of almond cake, extract of capsicum, extract of grains of Paradise, and colouring sugar." The "Licensed Victuallers' Guide" says—

"To improve the flavour of brandy, (which, of course, has been reduced in quality to enlarge the quantity, and so evade the tax to the revenue,) take a quarter of an ounce of English saffron, and half an ounce of mace, steeped in half a pint of brandy for ten days, shaking it once or twice a day; then strain it through a linen cloth, and add one ounce of terra japonica, finely powdered, and three ounces of spirits of nitre; put it to ten gallons of brandy, adding, at the same time, ten pounds of prunes bruised."

And, "To give new brandy all the qualities of old; to one gallon of new brandy add thirty drops of aqua ammonia, (volatile smelling liquor,) shaking it well, that it may combine with the acid, on which the taste and other qualities of the new liquor depend."

However pernicious the practice of intemperate drinking may be, even with the best of liquors, the effects are incomparably more deplorable when those villanous compounds are imbibed. Here is evidence:—

"It is, no doubt, to the unprincipled adulterations of food, spirits, malt liquors, &c., that a

great number of sudden deaths, which are constantly happening in and about the metropolis, is assignable. The adulteration, it is true, is not sufficient to cause instant death; but it operates slowly, and silently, and imperceptibly, so as not to excite sufficient suspicion and inquiry respecting the cause. This is a remark founded on much observation and very probable grounds. It is hoped that it will awaken public attention and inquiry respecting these nefarious transactions."—*Oracle of Health*.

"We have reason to believe that the drugs with which the ordinary kinds of gin, as well as malt liquor are universally adulterated, have greatly tended to this melancholy result—the recent increase of insanity."—*Report of the Hanwell Lunatic Asylum, Middlesex*.

Rum is adulterated variously. The first fraud is by purchasing low-priced Leeward Island rum, and by the introduction of the following articles, vending it as fine old Jamaica rum of peculiar softness and flavour:—Ale, porter, shrub, extract of orris-root, cherry-laurel-water, extracts of grains of Paradise, or capsicums. Another fraud, common to rum and brandy, is alleged by the spirit merchants and publicans, to be perpetrated to a great extent, while the spirits are in bond at Liverpool; so also at bonded cellars elsewhere. The publican buys a puncheon of rum in bond, which is of superior quality; on paying duty and having it to his house, it is of inferior quality. The merchant from whom he purchased may have had no access to it, but, while the marks and material of the cask are undeniably the same, and it has been under the Queen's lock and key, it has become an inferior liquor to what it was yesterday, or the day or the week before; or the cask which was full and sound when the purchase was made, has suddenly begun to leak. Several gallons are wanting, and their absence is ascribed to leakage. Duty is paid as if no pilferer's hand had been there. Persons, whose wages are 20s. or 30s., or 40s. a week, who occasionally favour publicans with their private friendship, and are known to spend £2, or £3, or £4 a week, on an average, besides a domestic expenditure, equal to or more than their whole wages, indicate the channels through which good rum or brandy (which other merchants have paid for) may be had at a low price; or they undertake, when confidence seems firmly established, and the trader chooses to pay them well, to cement the confidence more firmly, by taking care that rum or brandy purchased in bond shall be delivered as good as when first tasted.

One result of such practice is, that the honest trader cannot hold on in business against his neighbours who are familiar with those mysterious agencies of cheapness; they fail in business, or, throwing honesty to the door, they seek an initiation into the secrets which are so profitable to others. And thus the knowledge and the practice of fraud extend from one to another, far beyond the operations of those who are its first propagators. Nor does it remain in the secret channels or undercurrents of this particular branch of merchandise; it spreads into others, and develops itself throughout society. Apart from its hindrance to commerce, which is a national evil, without one qualifying characteristic, the Custom-house system is a moral *upas*, infecting the trading public beyond all the power of churches, chapels, schools, or domestic precept, to counteract. The bonded warehouses are doubtless a commercial advantage compared with the previous systems of paying duties on the landing of goods (of which notice will be taken more at length in a general review of the warehousing system); but it has brought forth other results not contemplated by its authors, and not to be corrected but by the entire abolition of the customs' duties.

On colonial spirits there is a varied rate of duties levied by the customs' department, as there is of excise duties; foreign spirits paying 15s. per gallon through the United Kingdom, as already stated. Colonial spirits (chiefly rum) pay 8s. 2d. per gallon in England, 4s. in Scotland, and 3s. in Ireland. The excise duties on British spirits are 7s. 6d. in England, 3s. 8d. in Scotland, and 2s. 8d. in Ireland. The practical operation of those varied duties is a complicated system of obstruction to the free commercial intercourse of the three countries in many other commodities than spirits; an expensive staff of officers, acting under vexatious instructions, being employed to interrupt and examine whatever they, in their judgment—the judgment sound, or silly, or capricious—may suspect. The association might adduce numerous instances of this vexatious interruption to trade, as experienced at the port of Liverpool; but one, at present, will exhibit the nature of the rest.

In Oct. last (1849) 66 cases, containing 182 dozen of different kinds of wine, were sent by steamer from Glasgow to Liverpool, for shipment to New Orleans.

at due time the cases were safely landed from the steamer, and laid alongside the vessel bound for that port. To put them on board seemed the natural way of forwarding them to their destination, and of allowing the vessel to sail, which, if delayed, was subject to demurrage. But, no; the regulations of the Honourable Board of Customs demanded another mode of procedure—the wine having come from Scotland. Each case was opened, and each bottle in the case separately examined, many of them tasted, and all at the owner's expense. Duty was charged upon each bottle broken, or miscounted, involving in the 66 cases (as the wine had been imported in different ships) four "deficiency entries," with all the encumbrance and delay of "slips," "warrants," and a mass of other writing, bearing more resemblance to the proceedings of a Chancery law-suit than the simple transactions of a merchant. To put that wine on board-ship was not more than a reasonable hour's work, if so much. But to conform to such regulations of the customs as were enforced (the outwards officers taking the examination of the coastwaiters, though they, too, had they acted strictly to their instructions, should have gone similarly over the wine with a like delay), this work required the services of one clerk, one warehouseman, and three porters, three entire days; besides the assistance of a customs' broker part of the time: a customs' officer to watch the wine at night, and the coastwaiters, all the time; the owner was charged 8s. 6d. per night for the customs' watchman, though he had no need of such service. The whole cost of transferring that wine from the Glasgow steamer to the ship was £5 5s. 8d.; of which £1 0s. 10d. went as duty, and 5s. 6d. for a bond stamp. It is said that the shipper in this case escaped rather cheaply, and that others in similar circumstances have paid much more, which is quite possible.

It has been estimated that seven or eight per cent. of the indirect taxes levied by our revenue system are required for the expenses of collection. This is enormous, but that estimate extends only to the cost of the revenue department, which, in the instance just adduced, was seven or eight per cent., on £1 6s. 4d., the amount paid into the revenue exchequer; whereas the loss to the owner of the wine was £3 19s. 4d., in addition to the duty and bond stamp, a loss arising directly out of the revenue system of indirect taxation. Had there been demurrage to pay, as is often the case through vessels being delayed by the revenue officers, the loss would have been much greater. In estimating what indirect taxation costs the country, all such expenses should be reckoned. Into this, however, the Association do not enter in the present section.

To prevent the transfer of spirits on which the low duties are paid in Scotland or Ireland into England, no spirits are to pass between Scotland and England except by sea; the removal can only be done in vessels of not less than sixty tons burthen, or in casks not less than twenty gallons, or in bottles entered in the cargo book as part of the cargo. Spirits removed contrary to these provisions are forfeited, and persons concerned are liable to a penalty of £100, or treble value. No such spirits are to be conveyed from Ireland into Scotland, or from either into England, but under the same regulations and penalties. So says the act of Parliament. Yet it is alleged that spirits are so removed. Smuggling is prevalent. Numerous officers are employed to prevent it and cannot. Railway trains are stopped upon the borders, and luggage sometimes confiscated and passengers fined. Yet smuggling continues. The high duties of excise and customs in England, act (with the comparatively low duties of Scotland and Ireland) as bounties upon illicit distillation and smuggling. When the excise duties were high in Scotland and Ireland, those countries abounded with illicit stills. Drunkenness, and vice in all the shapes of which it is the offspring of drunkenness, abounded also. It is no longer profitable to work illicit stills to any great extent in those countries, and the morals of the people are improving. The abolition of the duties would entirely extinguish them, and so also in England, where they are yet common; and that line of revenue guards upon the English and Scottish borders would be removed to allow an uninterrupted intercourse of countries which are otherwise one. With the disappearance of those revenue guards, and the smuggling which surrounds them, there would disappear many incentives to lawlessness, idleness, and dissipation, which still characterize the hereditary smugglers on the borders. So also in the Irish Channel, on both shores; and in the Isle of Man and the Channel Islands. Honest commerce and innocent persons are continually interrupted; their property placed in jeopardy and frequently

confiscated—property which may only have the misfortune to be placed alongside, or to have had placed beside it, the contraband goods of other persons.

Not the least objectionable characteristic of the system is the employment and retaining of spies, to prowl about and entrap the honest, as well as the illegal or unwary trader. In connection with the trade frauds, which grow out of this vicious system of indirect taxation, through traders selling spurious wines or spirits for genuine foreign, (the duties being high bounties to repay them for the fraud,) the spy practices afford some curious illustrations. The following is one of them, with which we at present conclude :—

“ A few weeks ago, a confectioner was charged before the stipendiary magistrate of Liverpool, by two excise officers, with the offence of selling foreign wine without a licence. They had entered his shop in their capacity of hired spies and informers, ordered, paid for, and drank the wine. They forthwith laid informations, in hope of the penalty, or such liberal allowances as might fall to their share. They were disappointed. The confectioner, in defence, proved the wine to be a fraud upon those who drank it as foreign wine. He satisfied the magistrate that, though he was a cheat, he only defrauded his customers—not the revenue. He walked out of court acquitted.”

SECTION XXVI.

PROTECTIVE DUTIES ON CHEESE, BUTTER, CLOVER-SEEDS, TIMBER, &c., WITH ILLUSTRATIONS OF REVENUE INJUSTICE.

The Association have directed attention to the evil effects of the customs and excise duties on the articles yielding revenue to the amount of half a million sterling or upwards—coffee, sugar, spirits, tea, tobacco, wine, timber, bricks, malt, paper, and soap; also, windows and stamps. There remain licences and assessed taxes other than that on windows, which will be treated of in the next section.

In the present they refer briefly to the other articles in the tariff of customs. These number upwards of a hundred in general terms, but thousands in their several varieties, occasioning perpetual inconvenience, mistakes, delays, obstructions, expenses and losses in classifying them under the general heads of the tariff. Most of them are alleged—the Association need not say how erroneously—to be protective duties, for the benefit of native industry. The present complaints of agricultural distress may, however, excuse a few remarks on one class of articles which still retain their places in the tariff, subject to duties which are called *protective*.

The duties are on these articles as follow :—Butter, 10s. per cwt. foreign, and 2s. 6d. colonial; cheese, 5s. per cwt. foreign, and 1s. 6d. colonial; currants, 15s. per cwt.; apples, 6d. per bushel foreign, and 2d. colonial; pears, 6d. foreign, 3d. colonial; other fruit which may compete with British grown, £5 per cent.; eggs, 10d. per 120 foreign, 2½d. colonial; poultry, £5 per cent. foreign, £2½ per cent. colonial; potato flour, 1s. per cwt.; starch, 10s. per cwt.; hams, 7s. per cwt. foreign, 2s. per cwt. colonial; honey, 10s. per cwt. foreign, 5s. per cwt. colonial; tallow, 1s. 6d. per cwt. foreign, 1d. colonial; vinegar, £4 4s. per tun; onions, 6d. per bushel foreign, 3d. colonial; seeds, mustard, 1s. 3d., canary, carroway, carrot, clover, grass, leek, and onion, 5s. per cwt. foreign, and 2s. 6d. colonial; other seeds, not enumerated, £5 per cent. foreign, and £2½ per cent. colonial; liquorice, 20s. per cwt. foreign, 10s. colonial.

All those articles come directly into consumption as food, or, being prepared from the raw material of food for manufacturing purposes, are intended, through the duties levied on them, to affect the price of food; on which ground, were there no other objection, the duties are indefensible. But there are other objections: the expense of collection, the obstruction to a free intercourse between England and our nearest continental neighbours in the daily steam-packets plying on the channel, and the loss sustained by the delay of perishable articles (as fresh fruit and eggs). These are one class of objections; but the most forcible objection to the *protective* duties on most of the above articles is this, that they are a tax falling peculiarly heavy upon the classes whom they are supposed to *protect*—the cultivators of the soil.

The dairy districts of England are confined to five or six counties, and only to portions of those counties, as Cheshire, Derbyshire, Gloucestershire, Leicestershire, smaller portions of Wilts., Somerset, and Devon; to protect the dairy farmers, of which, all the corn growing farmers, garden cultivators and labourers, the manufacturing and commercial classes of the kingdom, must pay the tax upon foreign cheese, or an increase of price equivalent to that tax upon English cheese. It has been admitted in evidence by the House of Commons, that less than one in ten of all the farmers of the kingdom make their own cheese, so that more than *nine* farmers, almost all agricultural labourers, are taxed for the supposed benefit of *one*.

Butter is generally made on each farm for the consumption of the farmer's family, but not for the labourers. That for domestic consumption need not occupy attention. If butter be raised in price by the duty, and were it true (which it is not) that the labourer has, in consequence of the duty, higher wages to enable him to purchase it, (the protective argument,) it would simply end in this—that the agricultural labourer gained nothing, while all other consumers of butter paid more than the natural price for it, in addition to an expensive staff of officers to interrupt commerce in levying a duty on foreign butter.

In the articles of seeds, grasses, clover, and carrots particularly, the argument is equally conclusive; while the policy of taxing a large number of agriculturists for a small number is not less absurd. It is only in Kent, in limited districts of Essex, Suffolk, Norfolk, Bedford, Berkshire, Surrey, Wilts, and Hampshire, and perhaps one or two other southern counties, where clover seed is grown for the market. All the agriculturists of the rest of England, all Scotland, and all Ireland, are taxed by the duty on clover seed for those limited districts of southern counties!—while, again, we have commerce interrupted, and an expensive revenue system kept up, that the smaller number of farmers may levy a tax upon the greater number.

The same argument applies in the case of hops and malt. The small number who grow hops, with the larger yet limited number who grow barley for malt, are opposed to the number greater than both who do not grow hops or malting barley. But upon these and similar taxed articles the Association do not think it necessary to adduce further evidence. The principle of "protection to industry" has no longer a spark of vitality; it is dead and buried, and, though exhumed by the Protectionists, under the delusion that it was buried alive and might be resuscitated, it is all over. Protection is dead, and must be re-interred, never more to be recalled to this side its grave.

Nor would indirect taxation—duties for revenue—exist longer, if they were as generally understood.

In the present section the Association will adduce some of the miscellaneous evidence which crowds upon them from all quarters, as well as from their own experience in mercantile operations, exhibiting the evil influences of our revenue system.

On the timber duties, they have already commented at considerable length. But, as timber is still taxed for the *protection* of certain colonial interests, and as some of the revenue regulations in respect of timber are peculiarly injurious to the trade, they return to the subject briefly.

Taxes upon the raw materials of manufactures have been condemned even by the legislature since the days of Huskisson, and by reasoning reformers long before. The tax on timber could not have answered its purpose more completely had it been specially designed (since the repeal of the navigation and registry laws) to give the foreign mechanic a bounty *against* our own. Indeed, the duty is designed to prevent us from obtaining timber from the nearest neighbouring nations, that we may be compelled to take that of an inferior quality from a more distant colony, that colony, in turn, costing us an expensive military and civil service, that we may retain it for the benefit of using its timber! There is in this a combination of injustice and folly deserving of the severest censure.

Moreover, the timber-tax is vexatiously capricious. Builders must pay duty or use bad wood, but cabinet-makers import the choicest woods without let or hindrance. Ship-builders are less favoured. Teak, cedar, and mahogany they may use; but the fine Italian oak, Government, apparently, wish to retain a monopoly of for the dockyards, where it is consumed abundantly. In like manner the private ship-builder

is denied the use of American pitch-pine planks, Dantzic deals, Riga and Norwegian masts and spars, unless on payment of a tax, adding most seriously to their cost; while treenails (long wooden pins, used for fastening the planks of a ship to the timbers) have, evidently, been selected to show what collective parliamentary wisdom can accomplish when fully exerted. Two parcels of this article were lately imported in the same ship from the same country. They were hardly to be distinguished by an unpractised eye; yet one is taxed *thirty per cent.*, or thereabouts; the other, the better and more valuable, is admitted *free!*

Coopers have their staves free of duty, provided they do not exceed seventy-two inches in length. Mark the effect of such capricious revenue regulations, bearing in mind that *all* revenue regulations must, in like manner, affect commerce and industry somewhere, so long as they continue. A Liverpool firm lately received a consignment of such staves, prepared in the forests of Kentucky. The men who cut them, knowing that if less than the specified length they would be of less value for their intended purpose, and *not knowing the greater danger in the other direction*, very naturally gave good measure. On landing the staves at Liverpool, they proved, most of them, to be one, two, three, and a few even four inches more than the legal length. The customs' officers intercepted them, they were liable to duty, and that duty was fully *twenty per cent.* upon the value.

To begin with the operation of the revenue laws and capricious decisions of the authorities upon those staves. They were first *seized* as contraband; next, they were released on application, and permitted to be *bonded*; thus giving the importers the option of paying the duty, or selling for export if they could. This not being always practicable, and never, except at a reduced price, the merchants applied to the commissioners of customs for leave to cut the staves to the legal dimensions, at their own expense, with a view to their being admitted to entry duty free. This permission the Hon. Board of Customs peremptorily refused; they seldom do anything else. Their special function seems to be (it is so in practice, though it might not have been specially designed so), to torment and harass merchants and ship-owners, and to throw every possible difficulty in the way of business. In this they execute their functions, not only according to law, but with rigour; not only rigorously, but with extreme zeal.

From the Board of Customs the merchants betook themselves with the same request to the Lords of the Treasury, who allowed the same indulgence to the same parties, under precisely similar circumstances, three years ago. But at present, there being no one at the Treasury with sufficient practical knowledge of business, it is understood that, instead of controlling and regulating the revenue boards, their lordships are completely under the management of the Commissioners, to whose narrow red-tapery they defer in all meekness. After waiting fully a month for an answer, the permission sought was refused, on the ground that the staves had been landed on a free-entry, and that the excess in length had only been discovered by the customs' officers afterward, implying that the parties were aware of the fact, and had attempted to land and pass them surreptitiously—in other words, to smuggle them. This offensive imputation was disclaimed by return of post, and documentary evidence of its falsehood submitted, in shape of the original invoice and letter of advice; but, after another fortnight's consideration, their lordships confirmed their previous decision, this time, however, being discreet enough to assign no reason for their judgment.

After the waste of two months of time, all that correspondence, rent, and interest, the importers measured each staff, and found about a fourth of the whole admissible free, which, after some demur, were delivered to them and immediately sold; the remainder still lie in bond, and may finally be made into casks at Cape Town, or elsewhere.*

What good purpose is served by putting merchants to such expense, trouble, and loss, while nothing is gained thereby—not one penny of revenue—passes ordinary comprehension. If Downing-street or the Custom-house can tell, they must have a physical and mental sense different from the rest of mankind.

* These staves have since been sent to the distant island of Jersey, where the inhabitants have been wise or fortunate enough to have no Custom-house, to be there cut to legal dimensions, and returned to Liverpool, which the law allows; but, a purchaser offering, were ultimately sold in Jersey, duty free, in spite of the Honourable Board and Treasury.

One of the most unjust, iniquitous legal rules; one discarded in practice, and condemned in principle, in the jurisprudence even of semi-barbarous nations, is established, and rigidly acted upon, by the Revenue Commissioners. This is, that all plaintiffs or defendants in actions at law with them shall be condemned in costs, no matter how righteous the cause of such plaintiffs or defendants, and no matter how low the judgment may be given. There is, at present, a *tea* case pending, which involves this iniquitous result; and, as other rules and principles of the revenue system are involved in it, the Association refer to it with the names of the parties concerned, in the hope that it may aid in opening the public eyes.

On the 30th of December, 1848, the firm of Messrs. Harrisons and Crosfield, of Liverpool, forwarded forty chests of tea, under bond, by the London and North-Western and Caledonian Railways, for Leith. Bonded goods can only be removed from one bonding port to another. That tea might be for an Edinburgh merchant, or for some other dealer in a town nearer Liverpool than Leith was; but it must incur the expense of going farther than required, because the duty had not been paid. The duty on tea adds *two-thirds* to its price, consequently, to take it out of bond before selling it for consumption, is to invest at the loss of interest, risk of bad debts, and insurance, an additional capital twice the amount of that which provided manufactured goods and a ship—manned, victualled, and insured the ship to go to China; which procured there a cargo of tea, victualling, manning, and insuring the ship and cargo again; which paid port charges and profits upon its own use;—to take the tea out of bond requires an additional capital, at least *two* or *very nearly three times* the amount which did all this. Therefore it is that the additional capital is not advanced to the Government as duty until the tea is about to pass into the retailer's hands to be sold for consumption.

At the Edinburgh railway station the forty chests of tea were destroyed by fire. Messrs. Harrisons and Crosfield had given bond to the customs for the duty, namely, that it would not come into consumption between the two ports, Liverpool and Leith. The railway company were answerable to that firm for its safety, and will be the ultimate losers. But, in the first instance, the merchants are liable to the Revenue Board for the duty, and must pay it, though the tea was consumed by fire. There is no special law relating to the conveyance and loss of bonded goods by railways. But, in a Treasury order of 1832, it is stated to be “the opinion of the Attorney and Solicitor-General, that warehoused goods sent coastwise, and lost at sea on the voyage, are to be *considered as accounted for* to the satisfaction of the commissioners, and that the bond cannot be enforced.” A subsequent act of Parliament and Treasury order state the same, so that there is no doubt that the law only seeks to recover the bond in cases where goods lost in transit cannot be accounted for. Twelve months have been wasted in deputations to the Board and the Treasury, but their decision is still that the merchants must pay the duty upon the burned tea. Were the case tried before a common or special jury, there can be no doubt that their verdict would be in accordance with law and justice, both of which the merchants have on their side; but if they go to law in the case and obtain judgment in their favour, they will have to pay their costs, probably amounting to as much as the bond now in dispute, to wit, £330, on the forty chests of tea.

What despotic ruler is there in the world,—what tyrant known to history,—what *Shylock* of poet's fancy is there insisting on the *bond* and trampling on law and justice, more outrageous than this despotic Revenue Board in constitutional England?

SECTION XXVII.

LICENCES: DUTIES ON HORSES, CARRIAGES, SERVANTS, &c.

The excise licences are as follow:—*Auctioneers*, £10; *brewers* of strong beer, not exceeding twenty barrels, 10s.; twenty to fifty barrels, £1; fifty to a hundred barrels, £1 10s.; a hundred to a thousand barrels, £2; one thousand to two thousand barrels, £3; two thousand to five thousand barrels, £7 10s.; five thousand to seven thousand five hundred, £11 5s.; seven thousand five hundred to ten thousand, £15; ten thousand to twenty thousand, £30; *brewers* of table-beer, not exceeding twenty barrels, 10s., and exceeding one hundred, £2;

brewers, retailing beer, £5 5s.; sellers of strong beer, not being brewers, £3 3s.; retailers, rent under £20, £1; rent above £20, £3 3s.

Coffee, tea, cocoa, or pepper dealers, 11s.

Maltsters, from 2s. 6d. to £4 10s.; papermakers, £4; soapmakers, £4; distillers and rectifiers, £10; spirit dealers, not retailers, £10; spirit retailers, from £2 2s. (under £20 of rent) to £10 10s. (at £50 of rent and upwards); stillmakers, 10s.; persons using stills, not rectifiers or distillers, 10s.; retailers of sweets, £1 1s.

Stage carriages, original licence, £3 3s.; supplementary ditto, 5s.;—for every mile licensed to travel, 1½d.

Tobacco and snuff manufacturers:—To those who manufacture not exceeding 20,000 lbs., £5; from 20,000 to 40,000 lbs., £10; from 40,000 to 60,000 lbs., £15;—tobacco dealers, 5s.

Vinegar makers, £5.

Wines.—Dealers in foreign wines, not having spirit and beer licences, £10; retailers, having beer licence, but without spirit licence, £4 4s.; wine retailers, with licence for beer and spirits, £2 2s.; passage-vessels, (river-steamers, canal-boats, &c.,) in which liquors and tobacco are sold, £1.

So far as licences are a police regulation, it may be necessary to retain them, or to substitute such magisterial supervision as may be deemed requisite to the protection of public morals. Into that question the Association do not enter. They object to all licences whatsoever as an impost for revenue.

Bankers, under the stamp duties, issuing notes, pay £30 for licence; appraisers, £2; pawnbrokers, £7 10s.; attorneys from £4 to £12; dealers in gold or silver plate, above 2 oz. of gold, or 30 oz. of silver, £5 15s.; ditto, under ditto, £2 6s.

Under the assessed taxes, every horse-dealer exercising that calling within the bills of mortality pays £25; persons elsewhere exercising the said business, £12 10. Every dealer in game pays £2; but certificated persons (licensed to kill) may sell game to licensed dealers, if paying a duty of £3 13s. 6d. and the additional impost of ten per cent. Persons are licensed to kill game by payment of £3 13s. 6d. (with ten per cent. added), under certain modifications. They may kill hares on their own land, or on land in their own occupation; or (in Scotland only) may, by written authority from the landowner, kill hares without licence anywhere. Gamekeepers, if otherwise charged as servants, pay £1 5s. The duty on servants is, for every male in the capacity of *maitre d'hotel*, house steward, master of the horse, groom of the chamber, *valet de chambre*, butler, under-butler, clerk of the kitchen, confectioner, cook, house-porter, footman, running footman, coachman, groom, postillion, stable-boy, or helper in the stables, of the master or mistress, gardener, park-keeper, gamekeeper, huntsman or whipper-in, £1 4s. for one; £1 11s. each for two; £1 18s. each for three, rising to £3 16s. 6d. each for eleven servants. The Association do not allege this graduated scale—increasing as the number of servants increase—to be unfair, it is one of the few instances in which the wealthy have increased their taxes according to the outward signs of their wealth; and it is noticed here because it (with the duties on horses and carriages, assessed in the same ratio) is frequently referred to as evidences of the excess of taxation borne by the aristocracy. To this point they will presently recur.

£1 4s. is payable for every male (employed as in the foregoing), and not being a servant to his employer, if the employer shall otherwise be chargeable with the foregoing duties on servants, or for any carriage, or for more than one horse kept for riding or drawing any carriage. If the employer be not chargeable with such other duties, then ten shillings is payable for every such person. All above eleven in number are charged at the rate of the eleventh—£3 16s. 6d. each. *Bachelors pay £1 extra for each servant*. From this Roman Catholic clergymen are exempted. Waiters in taverns are assessed at £1 10s. each. Coachmen, let on job, £1 5s. each; but there are exemptions: the first of them is curious:—

“Any male servant employed in any of the capacities mentioned above, or as waiter or occasional servant, or as coachman or driver, let to hire, by a person residing in the parish in which such male servant shall have a legal settlement, provided such servant shall not have attained the age of eighteen years before the 25th of May, in the year for which the assessment shall be made.”

This provision, to reduce the pressure on the local poor rate, provides the self-taxer with a large proportion of his servants duty free; hence so many lads intro-

duced into domestic service in the country, and so many adult servants, *out of place*, thrown into London. Any male servant under the age of twenty-one, is also exempt if he be the son of his employer, and he be employed as a waiter, or occasional servant, or in any of the capacities first enumerated. Drivers, employed by any person licensed to let horses for hire, in such a manner that the post-horse duty is payable, are exempted.

The licence to keep horses is imposed thus:—£1 8s. 9d. for one horse, £2 7s. 3d. for each of two, £2 12s. 3d. for each of three, £2 15s. 9d. for each of four, and so on until the number of horses is twenty, at which the duty is £3 6s. each, and continues to be the same for each horse above twenty. Race-horses are assessed at £3 10s. each; horses let for hire, without paying post-horse duty, £1 8s. 9d.: horses rode by butchers, in their trade, £1 8s. 9d.; where two only are kept, the second at 10s. 6d.; horses for riding, not exceeding the height of thirteen hands each, £1 1s.; other horses and mules, thirteen hands high, each 10s. 6d.

But there are exemptions:—The legislative rent-owners seem to have dealt conscientiously, if not severely with themselves, in taxing their horses and servants on a graduated scale, rising according to the outward signs of their wealth. This is a virtue worthy of all admiration in those who live upon rent, and have made their own laws; yet, somehow, they have contrived to exempt the horses and carriages by which the rent is made. This is not complained of, so far as the absence of those taxes (including window duties on farm houses) are a relief to productive industry; the fact that they are exempted to give the tenant-farmer the means of producing more corn to pay more rent, is a proof that the landowners understand, clearly enough, the taxes upon the sources of production are obstructive to profitable industry; it is to carry this principle beyond partiality, to apply it to the sources and processes of *all industry*, that this Association exists.

Exemptions from the Horse Duties.—Horses used for the purposes of husbandry, or by market gardeners in their business; farm horses, occasionally used for drawing burdens, or let for drawing, if not used for drawing any carriage chargeable with duty; horses used for riding or drawing any carriage not chargeable with duty, by any tenant of a farm, at a rack rent under £500 a year, provided he keep only one such horse, and have no income above £100 a year from any other source; horse for riding by a bailiff, shepherd, or herd; horse for the purpose of riding, or drawing any carriage not chargeable with duty, by any clergyman (including Dissenters), provided he keep only one such horse, and have an income under £120 per annum; mares kept for breeding; horses kept by licensed postmasters may be used for husbandry, and for drawing fuel, manure, corn, or fodder, free of duty.”

Carriages with four wheels, or more, are assessed at £6 for one, £6 10s. for each of two, £7 for each of three, £7 10s. for each of four, £7 17s. 6d. for each of five, £9 1s. 6d. for each of nine, and so on at the same rate for any number of such carriages. For every additional body used in the same carriage, £3 3s. Four-wheeled carriages kept to be let for hire, with post horses, each £3. If drawn by one horse, each £4 10s. Carriages let by coachmakers, without horses, each £6.

Carriages with two wheels.—Each carriage for private use, £3 5s.; ditto, kept for hire, with post horses, £3; ditto, drawn by two or more horses or mules, £4 10s.; for every additional body used in the same carriage, £1 11s. 6d.

Low wheels and small horses. Four-wheeled carriages, with each wheel of less diameter than thirty inches, drawn by ponies or mules, above twelve hands, and not above thirteen hands high, each £3 3s. Carriages used by common carriers, and occasionally carrying passengers, with four wheels, £2 10s.; with two wheels, £1 5s.

The uncertainty, inconvenience, and oppression of those duties, regulated by the varying size and number of wheels and horses, are well understood by all who have had business or pleasure with them in public or private. Now that railways have diverted the main currents of traffic from so many roads, it is a hardship, amounting to absolute oppression upon innkeepers, to exact post-horse duties, carriage duties, and licences to keep horses; and if the effect be, as it frequently is, to prevent innkeepers from taking out the licences, or keeping the horses, the unwise impost, which gains the revenue almost nothing (less than nothing, if the expense of collection, supervision, informers, and prosecutions be taken into account), is a peculiar hardship on people who may have to travel, or would travel, but are prevented, on those old turnpike-roads; and in towns, the duty on hackney coaches is directly obstructive to the use of that kind of vehicle.

Carriages or carts not included in the above descriptions, may carry passengers for hire, but must not go at more than three miles an hour: this restriction is frequently found operating most oppressively. If the owner of a cart, at any season of festivity, as fairs or races, when conveyances are in demand, use his property to earn a few shillings by carrying passengers, he is liable to a fine of £5.

At one of the batches, or *battues*, of cases periodically got up by the excise officers, there was lately at Liverpool one which exemplifies this petty, miserable tax. A woman appeared before the Police Court, for her husband, to answer the high crime of carrying passengers for hire at a pace exceeding three miles an hour without a licence. Being race week, and business at the docks dull, where the husband usually employed his cart, he filled the vehicle with passengers, and conveyed them to the race-course. For thus illegally accommodating the public, he was fined £5—the smallest penalty the magistrate had power to inflict; the wife left the court declaring she had not the money, and knew not where to find it. Similar cases occur in all towns at such times; in London, almost every day during summer, the spies and prowlers set to watch those poor people's carts are intolerably expensive, as well as intolerably annoying. Sometimes the horse and cart are sold to pay the fines and fees for those informers under warrants of distress, and the owners, bereft of the means of getting a livelihood, are thrown on the poor-rates. Had it been the deliberate purpose of our legislators to demoralize the people, to utterly confound all their notions of right and wrong, it is difficult to imagine any more effectual means by which their purpose could have been effected, than those disgraceful persecutions. In our law courts, the people are taught that a fiscal crime—which may be an industrial virtue—is regarded as more heinous than some of the grossest violations of morals. To earn a few shillings, as in the case just quoted, by accommodating the public at a period of festivity, is visited by a penalty of £5: this, the *smallest* fine which the magistrate can inflict for such an offence, is the *greatest* fine which the same magistrate can inflict for the most ferocious assault, which may endanger life or limb!

And so is the law exhibited to the public, as regardless of moral right or wrong, in such cases as that referred to in a previous section. A man, to escape from the fiscal offence of selling wine without licence, gives proof that he is a cheat, a fraudulent trickster upon his customers, but not upon the revenue. The magistrate and the law are satisfied that the man has only defrauded the public, and only proved himself to be a cheat and a knave. He is discharged as innocent.

Among the carriages exempted from duty, are those used for the conveyance of prisoners or *paupers*, "provided that the price or value of such carriage, together with cushion or cushions, and every or any other article or thing used therewith or belonging thereto, shall not exceed or at any time shall have exceeded the sum of £21." Notwithstanding this limitation to the comfort of paupers, many such may be seen riding, where the cushions and linings alone have cost above £21. A journey through Hyde-park, on an afternoon, and reference to some of the early tracts of the Financial Reform Association, will satisfy the curious reader about paupers and luxurious carriages. But they are paupers on the national taxes, not on the poor-rates.

Persons using armorial bearings pay £2 8s. if keeping a taxable carriage; if not keeping such carriage, but chargeable with window duty, they are charged £1 4s. Persons using armorial bearings, and not included in the above descriptions, are charged 12s.

Here, again, we see that much boasted virtue of our legislators, who tax themselves heavier, and more heavily in proportion to the outward signs of their wealth.

Next, there is the dog tax. *For every greyhound*, £1. For every hound, pointer, setting dog, spaniel, lurcher, or terrier; and for every dog, where two or more are kept, of whatever denomination the same may be, except greyhounds, 14s. For every other dog, where only one is kept, 8s. Dogs wholly kept or used in the care of sheep or cattle, provided they are not of the description chargeable with the duties of 14s. and £1, and all dogs under six months old are exempted. But persons compounding for their hounds are to be charged £36. The Duke of Beaufort, with four, or Mr. Asheton Smith, with six packs of hounds, pay but a few shillings for each dog, according to this revenue indulgence. This differs from the taxes already noted, the heaviest of which the wealthy place upon the

wealthiest. This rather resembles the legacy and probate duties, which were found to be *too heavy, too much of a reality for the policy of shams*, and which they have shirked, as under the system of indirect taxation they shirk from their fair share of many other burdens. The actual amount of that taxation which they impose on themselves—the heaviest of the wealthiest—and which they take so much credit for, have received so much laudation for, we shall exhibit in comparison with taxes which they do not pay.

SECTION XXVIII.

TAXES ON LANDED PROPERTY.

In the preceding section, the taxes are stated in detail which the wealthy have placed upon themselves exclusively—the heaviest tax upon the wealthiest, of which so much boast is made, so much credit for disinterestedness claimed. Here is the product of those taxes for the year ending January 1, 1849:—

Servants	£205,754
Horses	304,380
Carriages	416,491
Other assessed taxes,.....	327,125

£1,253,750

The dog tax is not included in that list, because it diminishes according to the excess of dogs kept; nor the window tax, because it does not increase with the outward sign of inward wealth; nor is the additional ten per cent. included, because that falls upon other taxes than those stated; while of those stated, as, for instance, servants and horses, the tax is paid by innkeepers, butchers, and other tradesmen. If we estimate the taxes on servants, horses, carriages, armorial bearings, and the ten per cent. of additional charge paid by private persons to be £1,000,000, the estimate goes to the extreme verge of fact. But the virtue of paying taxes increasing in amount according to the signs of wealth only applies to those private persons who keep a *plurality* of servants, carriages, and horses; the whole of their contributions to the revenue from those sources being, probably, not more than £600,000. This is the full amount of that exclusive taxation which the rich have, with an appearance of disinterestedness, placed exclusively upon themselves. But to avoid all cavil, we shall include the whole of the taxes on servants, carriages, horses, and armorial bearings paid by private persons. The amount is not more than £1,000,000.

Now, to meet this, the duties levied on all property, real or personal, subject to duty on its inheritance by natural descent or bequest, diminish as the property increases in amount; while on inheritance of freehold property no duty is levied at all. It cannot be ascertained with precision what the amount of such duties would be if fairly levied; but good authorities have estimated the deficit of legacy duty (from a rate diminishing according to increase of property), and the absence of all taxes of inheritance on landed property, at from £4,500,000 to £5,000,000. The landlords object that—“A heavy per centage imposed on the saleable value of a real estate would require, on the part of the owner, a sale or mortgage for the purpose of procuring the means of immediate payment, the expense of which would form a serious addition to the direct burden of the tax. In the case of the descent of an estate to an heir not within the favoured degrees of relationship, if a tax equivalent to the administration and legacy duty together were imposed, it would amount to between 12 and 13 per cent., and would, in many cases, absorb between four and five years' rental of the land.”

This is the case stated on behalf of the owners of real property, as a reason why their heirs should not be subject to legacy duty. It need not of necessity follow that the payment of legacy duty should absorb four or five years' rent. In the first place, were the laws affecting the transfer of land from one owner to another simplified, any given amount of land (measured by its rental) would bear a higher loan on mortgage than with all the cumbrous provisos and delays which now attach to it. Secondly, the legacy duty on real estate might become a subject of

insurance, and this it would most probably do, avoiding the necessity to borrow on mortgage. But other property, such as annuities, analogous to rent, is subject to legacy duty; and similar objections might be urged to exclude them. Even Mr. M'Culloch, who has an excessive tenderness for property in matters of tax-bearing, says of land:—"The circumstances of landed property being held under a settlement, and not passing by devise, should not be allowed to be exempt from the tax. Of what consequence is it to the public whether the succession to an estate or other property be determined by a deed of settlement entered into a century ago, or by a will only a year old, or by gift? The capacity of the property to bear taxes cannot be affected by such considerations; and therefore, if the tax be imposed at all, it should certainly be made to affect every sort of property, when it descends from one individual to another, without reference to the conditions of descent."

When the probate and legacy duties were introduced to Parliament in 1796, to raise money for the war expenditure of that time, instead of including the duties on real and those on personal property in the same bill, one bill was brought in by Mr. Pitt for personal, and another for real, estate.

Mr. M'Culloch says: "It reflects but little credit on the Parliament of that day, that, while the bill for assessing personal property was passed with but little difficulty, the bill for assessing the same duties on real property encountered a violent opposition, and had ultimately to be abandoned."

The act imposing legacy duties on personal property was passed by 64 members voting for, and 16 against it. The opposition was led by Mr. Grey (the late Earl Grey), and those who voted with him were members who usually opposed Mr. Pitt without regard to the merit of his measures. It was enough that he proposed anything, they were resolute in their opposition. Hence it may be inferred that his bill for imposing legacy duties on real property was rejected from a similar spirit of opposition, and not because it peculiarly affected the interests of members of Parliament. Such was not the fact. Gentlemen who were foremost to support Mr. Pitt's expenditure on war were now the last in the country to submit to taxes upon their own property to defray that expenditure. The bill was opposed at every stage, and by all the forms of the House being raised against it. Three divisions took place upon the question that the bill be read a third time. In the first, it was negatived by a majority of two. Mr. Pitt then moved that it be read a third time to-morrow morning, upon which an amendment was moved that it be read that day three months. The amendment was lost by a majority of one. Upon which the main question, that the bill be read a third time to-morrow morning, was put, when the yeas and noes were equal. The Speaker declared himself with the yeas, not as approving of the bill, but to allow it to be once more considered. Upon which Mr. Pitt, seeing the ill reception of this bill, gave notice that to-morrow he would move that its third reading be postponed for three months. This was a final abandonment of the measure.

The previous bill, which passed with so little opposition, and other acts which have since added to or modified it, operate at the present time so as to present three kinds of taxes on successions to personal estate; but some species of property are subject to only two, some to only one of these taxes, while others, as we have just seen, are exempted.

The first of these taxes, commonly called the probate duty, is imposed on the whole mass of the personal property, including leaseholds for years, of every person who has not died intestate, and which may be recoverable under the probate or other analogous instrument.

The second, or duty on letters of administration, is a corresponding tax on the whole mass of the personal property, including leaseholds, of a person dying intestate, recoverable under the letters of administration.

From such one of these taxes as applies to the case, no part of the personal property of the deceased, within the jurisdiction of the court by which probate or administration is granted, is exempted.

(To be continued.)

FINANCIAL REFORM TRACTS.

No. 24.

INDIRECT TAXATION.

SECTION XXVIII.

(Continued from No. 23.)

TAXES ON LANDED PROPERTY.

THE third, or legacy duty, is imposed not only on legacies, but on the residue of the personal property of a testator, or person dying intestate, which may become divisible among his next of kin. It also falls (which the probate and administration duties do not) on the produce of the sale of land directed by will to be sold, on moneys charged by will on real estate, whether as gross sums or as annuities. Debts owing to the deceased by persons resident abroad, and other personal property abroad, are not subject to the probate or administration duties, as they are not recoverable under our probate or administration.

Where the will of the testator directs a sale of real estate, or directs money to be raised out of real estate, or charges it with legacies or annuities, the produce of the estate, or the estate itself, if it remain unsold, are subject to the legacy duty; but no estate or interest in land, given without a charge or direction for conversion, is subject to the tax. Thus, if a testator give his real estate to his children, or to others, in shares, they escape; but if he direct that it be sold for a division of the proceeds among them, they are subject to the tax. In the latter case, the intent of the testator may have been, or the desire of the legatees may be, to invest the money reproductively in some more plebeian pursuit than the ownership of rents: this purpose of reproduction is taxed; while, if the legatees had remained in the non-reproductive state of receiving rent (chiefly produced by the capital of a second party), and consuming the wealth of the country without reproduction, they would not be subject to the tax.

Thus, one objection to the present legacy duties is the taxation of property usually employed and adventured reproductively before it yields a dividend for consumption; and the exemption of that property, which is usually a rent for the privilege to occupy, yielding a dividend for consumption, without having been subject to adventure, or in any way used reproductively. For, although rent is often made up of two elements—first, the profit upon capital invested in the culture of land, or the erection of buildings; and, second, the inherent virtue of the soil which exists, independent of all other capital or labour (or the incidence of value arising and attaching to a locality, or a thing in the locality, through the capital or labour of other persons being applied elsewhere), although rent is at times mixed up with reproductive profits, it is, in most cases, a thing apart from profit upon reproduction, and may be easily distinguished. When it is such, it escapes taxation under the legacy duties; and, in most instances of its not being such, it is taxed.

But the legacy duties require to be completely changed and re-distributed, on account of their inequality. In the case of probates, the duty on a property of the value of £300, and under £450, is £8; of £450, and under £600, £11; of £600, and under £800, £15; of £800, and under £1,000, £22; of £1,000 and under

£1,500, £30; of £1,500, and under £2,000, £40. The scale, so far, is an approximation to the rate of £2 per cent. on the highest amounts which the probate will cover. But, in the case of estates of larger amounts, this rate is departed from, and lower amounts are charged. According to the rate at which the estates sworn under £1,000 is charged, the duty on an estate sworn under £20,000 should be £440, but it is only £310. According to the rate upon £1,000 the duties on estates sworn under £100,000 should be £2200, but they are only £1,350. At the same rate, the duties on an estate sworn under £1,000,000 should be £22,000, but they are only £13,500. On £1,000,000 the duty is £15,000, beyond which there is no increase. The estates valued at above a million are, no doubt, few; yet when they do occur, as they sometimes do, there can be no good reason for exempting from a fair proportion of the duties charged on smaller estates.

The scale of duties on letters of administration is higher than the scale of duties on probates, in the proportion of about three to two, and displays the same partiality in favour of the higher amounts of property. Thus the duty on property sworn under £2000 is £60, or three per cent.; whereas the duty on property sworn under £100,000, is only £2,025, being little more than two per cent. £1,000,000 is charged with £22,500, beyond which there is no increase of charge.

It thus appears that, if the head of a family so far forgets his duty as to neglect making a will, the law punishes his widow and children for his fault, by an excess of duty beyond what would have been demanded had he made a will.

Another objection to those duties, as at present imposed, is, that they must be paid within a short limited time after the decease of the testator or intestate individual, and not on the amount of clear personal property, but of all the personal property of the deceased, including all debts owing to him; "but without deducting or allowing anything on account of the debts due and owing from the deceased." The duty paid in excess, in respect of the debts owing from the deceased, is to be returned, if claimed within three years, or within such further time as the Lords of the Treasury may consider reasonable. Under this arrangement, the family of a small tradesman, whose debts and credits nearly balance say about £2,000, must disburse, provisionally, £60 as duty, for the privilege of winding up his affairs, besides other expenses from the cumbrous state of the law which deals with successors to property; and must be at further expense and waste of time in getting this sum of £60 returned by the Lords of the Treasury!

SECTION XXIX.

BURDENS ON LAND.

In the survey of Cheshire made for the Board of Agriculture in 1804, 1805, 1806 and 1807, and published in 1808, it is stated, truly enough, that a principal reason for the great increase of *rent* in that county had been "the rapid increase of manufactures in this part of the kingdom, and the proximity of the county to the large markets of Manchester and Liverpool. These two circumstances," continues the report, have "operated essentially in raising the rent of land. The prodigious increase of population which has taken place within the last thirty years in the southern part of Lancashire has called for a proportionally-increased supply of provisions from the whole of the neighbouring county; while the great facility of the internal communication, by artificial canals, enables the farmer to convey his produce to market at a cheap rate and with the same expedition as by land carriage." All operating in favour of rent, then and since, through the enterprise and capital of other parties than the owners of rent.

Now, mark the direction of Cheshire taxes. By a parliamentary return (January 23, 1838) it appears that the amount received for tonnage duties on the river Weaver and Western Canal, from 1795 to 1837 inclusive (chiefly on the trade in salt), amounted to £846,515 12s. 3d., making, with sundry other receipts, a total of £893,361. Of this sum no less than £389,155 18s. 3d. was paid in local taxes—in the words of the report, "for the use of the county of Chester"—instead of being devoted, as it should have been, to the benefit of the trade whence it was derived. The remainder was required for interest on money borrowed and repair and renewals of works.

This suggests various considerations. The first is to compare it with similar burdens upon land in the same county. It amounts to about 43 per cent. of the whole income of those navigable waters; while the county and constabulary rates were (in 1845, the only year of which detailed accounts have been published) a little over two-thirds per cent. on the rental of Cheshire, the rates being £8,699 13s. 10d., the rental at least £1,250,798.

We may estimate the rental by various means, and arrive at the same result. The report of the Board of Agriculture, 1808, states, "the rents of Cheshire probably average 30s. per statute acre." They have averaged more since 1808.

It is an axiom in Cheshire, that if a third of a farm be in tillage and two-thirds in dairy pasture, the cheese made on the latter should pay rent, tithe, and land-tax. One-third of the county for tillage gives 450,266 acres for pasture; three acres to a cow give 150,088 $\frac{2}{3}$ cows. Each cow yielded produce to the average amount at least of £9 in the period referred to, making that fund which in Cheshire represents rent, tithe, and land-tax, £1,250,798. At £7 per cow's produce, upon which calculation Cheshire farms are at present let, the rental would appear to be £1,050,620; but a greater number of cows is now taken into calculation when farms are let—namely, three additional for each twelve acres, being seven cows instead of four. This increase does not yet extend over the whole county; but it is sufficiently general to enable us to affirm the rental of the county to be at least £1,250,000. Taking rent to be one-third of the returns from the soil, a common estimate, the produce of the soil of Cheshire is £3,750,000.

In 1843 and 1844 the county rates and additional constabulary rate in Cheshire amounted to £27,517 19s. 4d.; the county taxes upon the navigation of the Weaver for the same years were £28,000. In 1845 (the detailed accounts of which year were published by a committee of the House of Lords, which inquired into the "burdens affecting real property") the county tax upon the navigation of the Weaver, being chiefly the Liverpool trade in salt, was £18,000, only £334 17s. 3d. of which was expended on roads or bridges in connection with the Weaver, leaving £17,665 2s. 9d. to be devoted to the general purposes of the county rates. The county rate, strictly so called, was, for that year, £7,516 3s. 1d.; the constabulary rate, £1,183 10s. 9d.; together, £8,699 13s. 10d.

In the neighbourhood of Macclesfield a bridge required repair, which was alleged to accommodate the trade of that district only; and for this an extra rate was levied on the hundred of Macclesfield.

The poor-rate is claimed as a tax peculiar to land by those who would make out a case of special burdens. But from the parliamentary returns of 1847 (the last detailed and comprehensive returns at present accessible to the public) the fact appears that in 131 parishes, with an annual value of property assessed to the poor-rates in Cheshire at nearly half a million sterling, the rate averaged only 10d. in the 20s. Northwich, a town in Cheshire, was in the same years, 1839, 1840, 1841, and 1842, rated at 6s. 6d. per 20s.; Toxteth-park, a district of the town of Liverpool, for the same years, was rated at 12s. 3d. per 20s.; certain parishes of Nottingham at 18s., 18s. 6d., and 19s. per 20s.

That was a period when poor-rates pressed with peculiar severity on towns, and some other year, or average of years, might be selected less open to cavil than that period. But the Association do not admit the poor-rate to be a burden peculiar to land. If it be peculiar to any species of property over another, it is to the towns which attract the poor from the rural districts.

The county of Chester is alluded to only as an instance of the manner in which local taxes are shifted from landed property to trade, when the classes forming a legislative majority are permitted to follow their own instinct, and as an instance how rent is produced by the operations of industry and capital belonging to persons who have no interest in that rent, as explained by the report of the Board of Agriculture already quoted.

It is of importance to understand clearly (for the proper consideration of the sections on *Direct Taxation* to which the Association are now approaching) that rent is not the fund out of which taxes are paid, but a surplus of the produce of the land remaining after taxes and the cost of producing rent have been discharged. If, in the expenditure of rent, its owner contribute taxes through his own consumption or that of the persons whom he employs to minister to his enjoyments, that is an operation entirely distinct; for all the taxes then paid those who spend

rent are putting national wealth out of existence, non-productively, leaving no residue. But of this problem hereafter.

The most conclusive illustration of rent being a surplus of produce remaining after discharging the cost of production and the public burdens, is furnished in the advertisements of landed property for sale. Here is one referring to an estate in Renfrewshire, Scotland—

“The gross amount of rent from the estate as now let is.....	£9,420
Deduct public burdens.....	305
Only about 8d. per pound,	
And there remains free rent.....	£9 115.”

This advertisement states that “the stability of the present rental and the certainty of progressive advance are strikingly established by the fact, that the rents of the estate have been steadily maintained ever since the war prices ceased to operate, and now actually exceed what they were twenty-three years ago, notwithstanding the general depressing circumstances of the times;” and, further, that “the estate includes a town of 1,200 inhabitants, employed in the cotton manufacture,” giving an assurance that the rental may be in future augmented.

But a prophecy of a future increase of rental from the increase of that manufacturing town involves this other question, which is that properly now before the Association. The occupiers of the land may drain it with tiles free of duty, draw manure free of tolls, plough it with untaxed horses, live in houses with untaxed windows, sell by auction without a licensed auctioneer, insure from fire without stamp duty, and keep untaxed dogs for use, the increase of rental arising from those privileges going to the landowner, to whose heir it descends free of legacy duty, to be expended, most probably, in the consumption of material wealth without reproduction; whereas those who are to extend the town and its trade, and ultimately add to the value of the land, can only do so with taxed materials, with labour which chiefly subsists on taxed food, with the profits of capital which is obstructed at every movement by taxed commerce. The Association complains, not that the production of agricultural wealth is comparatively untaxed—they would remove those burdens from production entirely; but they complain that it is comparatively untaxed, while all the operations of commerce, and many of manufacturing industry, are obstructed, and their capital wasted by taxes, while rent—the surplus remaining after paying all charges upon agriculture, protected by exclusive laws from the creditors of the former—does not pay its fair quota to the State.

The preceding notices of taxes alleged to be “burdens on land,” or “burdens on agriculture,” (expressions used as synonymous, yet expressing things essentially different,) suggest that we should go more deeply and searchingly into the question, as between land and national wealth. The distinction between burdens on land or rent and burdens on agriculture may be illustrated by the four following receipts for rent. Before we quit this subject, those receipts, or others of a like kind, will illustrate other questions than that of the difference between the burdens on land and rent and the burdens on agriculture.

Sir G— C— is the impersonation of land and rent; Mr. Thomas Henney and his son of agriculture.

1st. “Received, the 12th of January, 1805, of Mr. Thomas Henney, the sum of sixty-five pounds, for half a year’s rent, due to Sir G— C—, Baronet, at Old Michaelmas last.

“Rent	£65 0 0
Deduct a year’s property-tax	6 10 0
	<hr/>
	£58 10 0
	“JOHN COLLINS.”

2nd. “Received, the 3rd of July, 1813, of Mr. Thomas Henney, the sum of one hundred and five pounds, for half a year’s rent, due to Sir G— C—, Baronet, at Lady-day last.

“£105 0 0	
10 10 0 property-tax.	
<hr/>	
£94 10 0 cash received.	

“JOHN COLLINS.”

Mr. Henney's rent was increased again in 1814.

3rd. "Received, the 15th day of January, 1814, of Thomas Henney, the sum of one hundred and fifty-six pounds, for half a year's rent, due to Sir G—— C——, Baronet, at Michaelmas last.

£156 0 0
10 10 0 property-tax.

£145 10 0

"JOHN COLLINS."

Shortly after this Thomas Henney died, and his son succeeded to the farm, at the rent of £345. Here is one of his receipts, almost his last:—

4th. "Received, the 7th day of December, 1825, the sum of one hundred and seventy-two pounds ten shillings, being half a year's rent, due at Michaelmas last, to Sir C——, Baronet.

£172 10 0

"ROBERT HOARE, JUN."

The tenant was eaten out of his farm with rent, and could not longer continue in the profession of agriculture. Sir G—— C—— and family, his servants and tradesmen, who furnished the comforts or luxuries of life to them, were the persons who ate this rental and this tenant's capital up, producing nothing in return which left a residue, or which fructified for national wealth. The tenant, afterwards keeper of a coffee-house in Palace-yard, permitted those receipts to be copied as proofs of the interests of agriculture and the interest of the landlord being essentially different.

But the relations of landlord and tenant are not the questions at issue, though they incidentally arise. Our present purpose is with the taxes which are borne by land. To do so we must look at the cause of rent, and say what rent is.

Let an estate of 1,000 acres be an example. It is first occupied by its owner. Markets arise from the industrial operations of persons engaged in the production of national wealth otherwise than on the land; they consume the land produce and exchange more of their products for it, or more money received for their products, than is equivalent to the exact reproduction of what they have consumed. The excess which they pay more than is equivalent to the reproduction of what they have consumed is profit to the cultivator. Profit becomes rent. Thus: the owner finds the implements and live stock, restitution of wear and tear, to be 2; cost of labour, seed, taxes, and per centage of profit, usual to other industrial operations, to be 2. He has a surplus profit to be expended on the luxuries which his possession suggests; it is likewise 2=6, the value of the gross produce.

A neighbour of this landowner, who possesses some capital but no land, and requires to provide for a family, and who sees the landowner, from the excess of profit, inclined to enjoy his luxuries rather than attend to the culture of the soil, says, "I wish to take those one thousand acres of yours as a tenant. I will provide the live stocks and implements, 2; the labour, personal skill, seed, taxes, ordinary repairs, and profit on my capital, 2; and will pay you rent for the privilege of occupancy, 2." The landowner replies, "I have made certain roads, ditches, barns, stone walls, and dwelling-houses (or they were made by my ancestors), let them be called $\frac{1}{2}$ —the rent paid to be $2\frac{1}{2}$," (or 2-5.)

If the offering tenant estimates for himself, he will find that the charge on account of those fixtures has either been long since defrayed, or, if not, taking their average cost, one-fiftieth of the share 2 is a high per centage on them (there may be special exceptions). If two, or three, or ten, or twenty, persons be offering to hire the same land, the tenant preferred will be one who does not too closely question the per centage really due to the landlord's fixtures. The land is let; and, for the convenience of an even number, let us say at 2.

But in addition to this rent of one-third of the gross products arising from the occupier's skill and capital, the landlord reserves a right to all minerals, and to go on the land to break ground for minerals; a right to all timber, loppings and topplings, and to grow it in the hedge-rows; a right to fishing and hunting; a right of breeding and feeding game on the tenant's crops, and of letting the right to kill that same to another party for another rent; the right of requiring the occupying tenant to prosecute for trespass; the right of distraining upon the tenant in pre-

ference to all other creditors, the property distrained to be sold without licence or duty; or if no one bids for it, or if the biddings be held insufficient, the right of carrying away or otherwise appropriating the property. Furthermore, the landlord has the right, "if a fixed rent has become due, and is neither paid nor tendered, to seize the growing crops (with certain exceptions), any kind of stock, goods, or chattels upon the premises, or *pasturing any common* enjoyed in right of the premises, *whether such things are the actual property of the tenant or not*; and if the rent remains unpaid, he may sell them." Such is the law.

The part 2, out of 6, which is thus secured to the landlord, may become encumbered by rent charges or mortgages, and be securely enough burdened, even to the landlord's insolvency; but those are debts owing for value received, or for dispositions to suit family convenience.

The estate comes to be sold. And now we have it within the reach of a glance to show whether tithe and land-tax be burdens upon land. The rent is two out of six; call it £2 per acre. There are 1,000, making £2,000 per annum. If an intending purchaser think it moderately rented and capable of yielding a good return, say ten per cent. on capital to be expended on drainage, &c., in addition to present rent, he may offer thirty years' purchase of the net rental. Now, what is the net rental? If the tithe and land-tax be paid by the tenant, the net rental is £2,000. Such taxes are usually paid by the tenants; but suppose it otherwise. Let the tithe rent-charges of various kinds be called £200, and land-tax £100, the net rental is thus £1,700. The purchaser having fixed upon thirty years' purchase (or thirty-five, or twenty-seven, or twenty-five, as the case may be), multiplies rental by the years, and offers the result, £51,000, as the price of the estate. If other considerations, as affection for the locality, ambition for territorial influence, or personal convenience, lead him to offer more, the excess is the price of affection, ambition, influence, or convenience, not the business price of land.

Thus it appears, that, if the tithe and land-tax be paid out of the £2 per acre of rent, the purchase money is so much the less, and those charges cannot, by any pretence soever, be called burdens on the agriculture nor burdens on rent. They represent two fractional parts of the property in land, one belonging to the Church the other to the State. The tithe rent-charge may bear unequally, being levied upon the average prices of seven years; but that is matter of legislative arrangement between the landowners and the Church; if it be an inconvenience, as doubtless it is, for the tithe rent-charge to be paid out of the produce of low-priced years upon the average of high-priced years, the remedy is in the hands of the parties concerned.

But the tithe and land-tax are paid by the tenants, and they hire the land, knowing that those fixed charges are upon it, in like manner as they take it knowing it to be subject to rent. In competition they do not offer more tithe or more land-tax to obtain the farm—they increase the offer of rent. If, in addition to rent, it be a hardship to pay tithe and land-tax, the fault is in the excess of rent. Tithes and land-tax are older than three-fourths of all the land rental in the kingdom. Tithes, when taken in kind, and now, when paid by rent-charge increase with the rent of the land. Not so the land-tax. The Church has been vigilant to appropriate its share of the profits on agriculture; but the interests of the State, being in the hands of the rent-owners, not in the hands of the taxpayers, have been defrauded of the proportion of agricultural increase due to land-tax. The public have now to deal with that question.

THE LAND-TAX.

In all countries without commerce land is the only source from whence a revenue can be derived. In the eastern monarchies and in Spain it is so to this day.

In England, under the Saxon kings, there was a land-tax. When the invasion of the Danes became frequent, it was customary to purchase their forbearance by large sums of money; and, as the ordinary revenues of the crown were not sufficient, a tax was imposed on every hide (100 acres) of land in the kingdom. This was first imposed about 901, and was called Danegeld, or Danish tax or tribute. (*Saxon Chronicle*;) It was originally one shilling for each hide of land, but afterwards rose to seven; it then fell to four shillings, at which rate it remained until abolished, about seventy years after the Norman Conquest.—*Henry Hist.*, vol. iii., p. 368.)

A revenue still continued to be derived under different names from assessments upon all persons holding lands, which, however, became merged in the general subsidies introduced in the reigns of Richard II. and Henry IV. During the troubles in the reign of Charles I. and the Commonwealth, the practice of laying weekly and monthly assessments of specific sums upon the several counties was resorted to, and was found so profitable, that after the restoration the ancient mode of granting subsidies was renewed on two occasions only.—(*Reports of the House of Commons on Land-tax, as affecting Catholics, 1828.*)

On account of the generally-increased productiveness of land, the tax bears upon the whole a trifling proportion to the rent (*Cyclopædia of Political Knowledge*), yet its inequality is very great. In Bedfordshire it amounts to 2s. 1d. in the pound, in Surrey to 1s. 1d., in Durham to 3½d., in Lancashire to 2d., and in Scotland to 2½d. — (*Appendix to Third Report on Agricultural Distress, 1836.*)

In 1692 a new valuation of estates was made, and certain payments were apportioned to each county or hundred, or other division. For upwards of a century the tax was payable under annual acts, and varied in amount from one shilling in the pound to four shillings, at which latter sum it was made perpetual by the 38th Geo. III., c. 60th, subject, however, to redemption by the landowners on certain conditions. But no new valuation of the land has been made, and the proportion chargeable to each district has continued the same as it was in the time of William III., as regulated by the act of 1692. That assessment is said not to have been accurate even at that time; and, of course, improved cultivation, and the extended markets for agricultural produce, raised up by the application of industry, inventions, and capital to manufactures and commerce, during the last 150 years, have completely changed the relative value of different portions of the soil.

The difference is caused by the accumulation of productive capital and fixed property in one district over another; partly, also, by the discovery and application of minerals, unknown in 1692. The chief increase, however, is caused by the difference between the order of persons who live on rent and eat up the wealth it represents without residue, leaving the smallest possible profit to the producers of rent; and the order of persons engaged in manufactures and commerce, who live more moderately in relation to income, and add what their moderation spares to productive capital, again doing the same, and again and again, to be succeeded by others, augmenting the productive capital in like manner. At last, the increase elevates the rent per acre of their county, until the land-tax valuation of 1693 stands at ½d. per pound for manufacturing Lancashire, and one-ninth of a farthing for commercial Liverpool.

The subjoined tables, formed from the returns of land-tax valuation in the parliamentary paper 316, session 1844, and the property-tax returns ending 5th April, 1843, in the same paper, and in the official returns adduced as evidence before the Lords' Committee on Burdens on Land, show how real property, and land in particular, are exempted from bearing a fair share of the burdens of the State.

NO. I.—LAND-TAX PAID UPON THE GROUND RENTS AND OTHER REAL PROPERTY OF CERTAIN TOWNS.

	Real Property Assessed to Property-tax, 1842.	Amount of Land-tax on Land and Tenements according to the Assessments of 1695 and 1798, still adhered to.	Rate of Land-tax per pound on Value of Real Property Assessed to Property-tax, 1842.
London, city	£1,686,266	£87,056	about 1s. 0½d.
St. Pancras	1,247,479	1,399	about 0½d.
Marylebone	1,087,783	564	half a 0½d.
Paddington	584,152	354	about 0½d.
Bath	314,541	657	0½d.
Cheltenham	216,108	491	0½d.
Leeds and suburbs	544,908	1,057	0½d.
Sheffield	215,596	212	under 0½d.
Liverpool	1,568,347	168	about 1-9 0½d.
Ditto Everton, Toxteth, } W. Derby }	342,481	341	under 0½d.
Manchester	1,573,405	1,106	under 0½d.
Preston	177,196	98	under 0½d.

No. II.—RETURN SHOWING THE VALUATION OF REAL PROPERTY IN EACH COUNTY IN SCOTLAND, ASSESSED TO THE LAND-TAX.

	Total Valuations of each County.	Rate per £100 sterling, at which Land-tax is Assessed.
Aberdeen.....	£19,630 8 6	£13 16 8
Argyle.....	1,246 5 10	10 8 4
Ayr.....	191,605 0 6	1 7 2
Banff.....	6,600 0 0	11 1 10
Berwick.....	14,863 17 3	12 11 9
Bute.....	21,330 12 2	0 19 1
Caithness.....	37,089 9 6	1 3 4½
Clackmannon.....	26,482 10 9	0 17 9
Cromarty.....	1,074 15 2	13 4 7½
Dumbarton.....	33,251 10 2	1 10 7
Dumfries.....	13,219 15 6	6 16 8
Edinburgh.....	15,921 14 3	13 7 0
Elgin.....	5,466 18 4	12 17 8
Fife.....	30,308 18 7	10 17 0
Forfar.....	13,509 16 3	15 6 0
Haddington.....	14,072 15 4	13 3 0
Inverness.....	6,198 17 5	13 5 10
Kinross.....	1,682 13 4	10 17 0
Kincardine.....	6,243 8 7	10 9 6
Kircudbright.....	9,549 15 2	11 14 0
Lanark.....	161,803 0 5	1 5 5
Linlithgow.....	75,130 6 6	1 0 9
Nairn.....	1,434 6 10	11 13 6
Orkney and Shetland.....	4,815 10 0	12 16 1
Peebles.....	4,328 2 9	16 0 4
Perth.....	28,295 15 11	12 0 0
Renfrew.....	69,173 11 2	1 6 1
Ross.....	6,253 14 4	13 2 1
Roxburgh.....	26,221 18 9	9 7 3
Selkirk.....	6,692 6 3	8 19 10
Stirling.....	108,060 15 8	1 1 6
Sutherland.....	2,182 15 9	10 4 9
Wigtown.....	5,637 4 9	12 0 0
Total valuation.....	£968,778 11 8	

No. III.—ANNUAL VALUE OF REAL PROPERTY IN EACH COUNTY OF SCOTLAND ASSESSED TO THE PROPERTY-TAX FOR THE YEAR ENDING 5TH APRIL, 1843.

Aberdeen.....	£603,698 0 0	Brought over.....	£4,904,117 15 2
Argyle.....	261,919 12 11	Kinross.....	43,940 11 6
Ayr.....	520,827 13 5	Kincardine.....	142,549 18 0
Banff.....	116,967 16 11	Kirkcudbright.....	193,751 0 0
Berwick.....	252,945 0 10	Lanark.....	1,826,305 17 10
Bute.....	30,976 4 5	Linlithgow.....	104,629 8 11
Caithness.....	65,869 6 2	Nairn.....	16,766 2 11
Clackmannan.....	51,521 17 1	*Orkney and Shetland.....	0 0 0
Cromarty.....	6,835 14 0	Shetland.....	16,448 14 0
Dumbarton.....	147,079 10 11	Peebles.....	76,585 1 11
Dumfries.....	291,869 15 6	Perth.....	624,273 19 11
Edinburgh.....	1,057,561 13 6	Renfrew.....	447,882 15 1
Elgin.....	99,298 11 0	Ross.....	133,852 8 8
Fife.....	490,032 15 6	Roxburgh.....	264,321 5 8
Forfar.....	479,268 3 9	Selkirk.....	49,188 1 1
Haddington.....	246,153 12 9	Stirling.....	272,654 7 6
Inverness.....	181,292 6 6	Sutherland.....	35,567 19 7
Carried over.....	£4,904,117 15 2	Wigtown.....	131,277 5 11
Total for Scotland.....			£9,284,112 13 8

(Signed)

THOMAS PENDER.

* Orkney no returns received.

By the foregoing it appears that while the real property of Scotland amounts to £9,284,112 (and probably more if fully assessed to Property-tax), it is only valued for Land-tax at £968,778, and that on the latter valuation the Land-tax levied, even on that amount, is very considerably less than four shillings, which, from the wording of the statutes of William and Mary, it is supposed to be.

The next tables refer to districts of England exclusively agricultural, where the value of property has not been enhanced by local causes, but by the progressive industry in the national manufactures and trade. Agriculture has also progressed, but it is probable that the increased ability of the rent-owners to consume wealth has exceeded the productiveness of improved agriculture, of which more presently.

No. IV.—BLANDFORD DIVISION, COUNTY OF DORSET.

Parish.	Quota of Land-tax in 1695.			Rent in 1695.	Rent in 1815.	Rent in 1843.	Increase per cent. between 1695 and 1843.
	£	s.	d.	£	£	£	£
Anderton	81	9	4	407	1323	985	142
Blandford, St. Mary	80	2	0	400	2278	2600	550
Bryanstone	87	14	8	438	1260	1309	198
Hinton Tarrant	63	12	0	318	1460	1834	476
Launceston Tarrant	42	14	8	213	1192	1090	411
Rawstone Tarrant	30	0	0	152	489	616	305
Whitcombe	22	13	4	113	570	1245	1001
Winterbourne Zelstone.....	57	14	8	288	1406	1163	303
					9978	10842	3386

Average increase per cent. from the year 1695 to the year 1843..... 423

Average increase per cent. from the year 1815 to the year 1843..... 8

Probable addition per cent. to the value of rent by Currency Act of 1819 15

No. V.—HIGHWORTH DIVISION, COUNTY OF WILTS.

Parish.	Quota of Land-tax in 1695.			Rent in 1695.	Rent in 1815.	Rent in 1843.	Increase per cent. between 1695 and 1843.
	£	s.	d.	£	£	£	£
Ashton Keynes	131	13	4	658	4909	5455	729
Blunsden, St. Andrew.....	122	15	4	613	1968	1610	162
Castle Eaton	126	19	4	634	3224	2359	272
Hannington	273	14	8	1367	4067	4632	238
Inglesham	54	9	4	272	849	879	223
Latton	124	14	8	623	3213	5211	736
Liddiard Millicent.....	217	6	8	1086	4016	3900	259
Marston Masey	101	19	0	509	1742	2223	336
Purton	421	10	0	2107	10054	13137	523
Rodbourne Cheney	248	3	4½	1240	4711	4992	302
Shorneut	40	16	0	204	599	565	176
Somerford Keynes	113	16	8	569	2350	2142	276
Stanton Fitzwarren	88	12	10½	443	2222	2254	408
Stratton, St. Margaret.....	183	0	0	915	4766	5587	510
					48690	54946	5150

Average increase per cent. from the year 1695 to the year 1843..... 367

Average increase per cent. from the year 1815 to the year 1843..... 12

Probable increase of value per cent. by Currency Act of 1819 15

NO. VI.—CHEWTON DIVISION, COUNTY OF SOMERSET.

Parish.	Quota of Land-tax in 1695.	Rent in 1695.	Rent in 1815.	Rent in 1843.	Increase per cent. between 1695 and 1843.
	£ s. d.	£	£	£	£
Camley	69 15 8	349	3013	2881	725
Chewstoke	81 1 0	405	3691	4309	963
Chewton Mendip	224 0 0	1020	6124	7334	554
Chilcompton	79 11 8	397	2097	3011	658
Clutton	95 1 4	480	3888	4842	908
Compton Martin	100 10 10	502	1743	3069	511
Emborrow	76 8 0	382	1426	1450	279
Farrington Gurn y	72 7 0	361	2225	2485	588
Hinton Blewit	60 0 4	300	1542	2085	595
Knowle	34 4 0	171	1157	2434	1328
Paulton	77 0 0	385	3711	7551	1861
Ston Easton	84 4 0	421	2627	2960	603
Stowey	41 13 8	208	1498	1481	612
Tinsbury	72 12 0	363	6777	10730	2855
Ubley	63 19 0	319	1739	2260	608
			43258	58882	13648

Average increase per cent. from the year 1695 to the year 1843..... 909

Average increase per cent. from the year 1815 to the year 1843..... 36

Improved value per cent. by Currency Act of 1819 15

In 1798 Mr. Pitt introduced a bill, which passed into law, for the redemption of the land-tax at twenty years' purchase. From the discussion which then took place, two leading facts, with which the public have now to deal, were prominently put forward. The first was, *that the valuation of property for land-tax was the same in 1798 as it had been in 1695.*

The second, *that the act for the redemption of that land-tax (4s. in the pound on valuation of 1695) did not preclude that or any future Parliament from imposing another land-tax, or augmentation, or a reassessment of the present; so that the redemption of the land-tax, under the provisions of the act of 1798, does not preclude, by any compact avowed or implied, the legislature of the present day, or any future time, from reassessing the rental of land at 4s. in the pound of present value (or at any other rate), if it be the will of the nation that such should be done; at the same time Mr. Pitt comforted the House of Commons of that day with the assurance that Parliament was not likely to propose a reassessment.*

He said that he proposed by this measure to reduce so much of the public debt as should leave an income of two millions four hundred thousand pounds applicable to the public service. The pecuniary advantages arising from this measure must be obvious from this statement, because the public would dispose of £2,000,000, for which they would clear off the public debt to such an amount that the interest would produce a sum of £2,400,000, leaving upon the whole a clear gain to the public of £400,000. He proposed to sell the land-tax at twenty years' purchase!

By a return to the House of Commons, dated 12th of July, 1844, the total of land-tax, in England and Wales, was shown to be £1,858,924 6s. 1½d., of which £724,463 19s. 2½d. was redeemed, and £1,134,460 6s. 10½d. was unredeemed.

The impropriety, or impolicy, or dishonesty of selling the land-tax will be best understood if illustrated by cases. Here is one which also demonstrates the fallacy of land having any peculiar burdens:—In Hampshire, parish of Tytherley, five parcels of land, which had undergone little improvement for many years, most of it as much neglected as in 1695, were sold about twelve years ago, and afterwards taken under one tenancy, for the net rent of £821; the tenants, a joint-stock company, paid £151 1s. 8d. of tithe (or rent) to the Church, and £13 2s. 8d. land-tax (or rent) to the State. The reason of the land-tax being so small an item on *unim-*

proved land was partly that on three of the parcels (previously distinct properties) the land-tax had been redeemed.

The landlord only purchased the land at the estimated rental of £821, but the real rent of the land was £985 4s. 4d.; the tithe and land-tax were therefore no burden to the landlord; nor could they be to the tenants, else the landlord's rent was a burden; but to that, as to the tithe and land-tax, the tenant voluntarily submitted for the privilege of occupancy. Why, then, call tithe and land-tax burdens? The other taxes alleged to be burdens peculiar to land were, church rate £2 15s. 1½d., county rate £5 3s. 1½d., highway rate £4 6s. 7½d.; of the two latter, the highway rate particularly, it would be as correct to call the cost of the wheeled wagon which carries the produce of the land to the market a burden on land as to call the road on which the wagon travels a burden. So far from the highways being a burden, the ordinary operations of agriculture are not even subject to turnpike toll, should there be a toll within the scope of operations; nor is manure subject to toll at any distance. The other taxes on those farms were, poor rate £96 16s. 9d., a large proportion of which was levied on the rated value of buildings erected by the tenants, and not used for agricultural purposes. The window duty for those buildings was, 116 windows, £34 16s. 6d. A farm house, which would not have been assessed for window duty had it remained the tenant's dwelling-house on the farm to which it belonged, was used for educational purposes, and became liable, and was assessed for window duty.

The land-tax on 770 acres had been redeemed, so that the sum of £13 2s. 8d. was the land-tax of 314 acres. On 64 acres of other land owned by the tenants, and not included in this renting and rating, the land-tax was £3 4s. 4d.

The sale of the land-tax for a given sum at any time must be a fraud upon posterity. Suppose it to be redeemed by the landowner by purchase of twenty years, the price of redemption is either at once spent by Government, or it is not. If spent, it is a financial fraud; the amount of the tax for the future is levied on something else, most probably on some process of industry or operation of commerce, to its obstruction and the spoliation of its capital, instead of on those high profits of agriculture, which, on the 1,084 acres of indifferent land, badly cultivated, now in question, amounted to £985 4s. 4d. a year, *after defraying all expenses of implements live stock, labour, taxes, interest on capital required in cultivation, and profits on its adventure, together with insurance of live and dead stock*; the excess of profit or rent, after all that, was £985 4s. 4d. a year.

If the redemption money be not at once dissipated, the sale of the land-tax is not less a financial blunder, if not a fraud. If land worth £100 a year be sold by its private owner at twenty years' purchase, he receives £2,000. If he dissipates this sum in the first year, or in any period of years, he must supply his wants otherwise or starve; nobody will grant him, and the generations of his family after him through all posterity, £100 a year, or £2,000 every twenty years. But if the State sells £100 a year of land-tax for £2,000, and dissipates that sum in one year, or in any period of years, its future wants must be supplied otherwise, no matter where the burden falls.

But even were the land-tax exchanged for what is an equivalent at the period of exchange, say £100 a year of land-tax, to pay off £2,000 principal of national debt (this was never done), the financial blunder is the same in principle, though it might be less in degree. The weight of the public debt diminishes, first positively, by alteration in the value of money, and second, relatively, by the increase of population, and tax-bearing property. Whereas rent or tithe (land-tax being analogous to rent and tithe, except in the fraudulent adherence to the fixed valuation of 1695) increases, not only as other property and population increase, but in a ratio considerably greater. Let it be affected by the same influences as rent and tithe, as doubtless the public will soon insist on its being; to the influence of competition for space to cultivate, to build; to the influence of expanding capital, population, and industry, in manufactures and commerce, and it also will expand. To sell the right to this source of revenue for the improvident mess of potage, called redemption of the land-tax, is a folly which finds no expression in political phraseology; it is a breach of trust, embezzlement, fraud; breach of public trust for the benefit of private interests; embezzlement of public funds to serve immediate political ends; fraud upon the public finances by the legislative and governing order of men to aggrandize their private property.

But there was a burden on the agriculture of the 1,094 acres, now under notice. On two estates adjoining game was preserved. Some of the gentlemen licensed to kill game on those estates hired the right to do so from the landlord of the 1,084 acres. This game was partly fed at the expense of the cultivating tenants. They petitioned Parliament in 1844 to be allowed to prove by evidence that the destruction to their crops by game was equal at least to the amount of tithe and land-tax together,—£164 4s. 4d. That was a burden on their agriculture in reality. Highway and county rates were not so. Poor rates and church rates are heavier in towns than in rural districts. Land-tax and tithe are only burdens in the sense in which rent is a burden. There are exemptions in favour of agriculture, but no special taxes are laid on it as burdens.

The Association now proceeds to notice some of the objections to the land-tax, or, as Mr. M'Culloch calls it, a tax upon rent. They are willing to adopt his definition of rent. It accords with that already laid down by them. He says:—

“The sum which the occupier of an improved farm pays to the landlord is uniformly derived from two distinct sources, and is, consequently, divisible into two portions, whereof one is a compensation for the use of the natural and inherent powers of the soil, and the other a compensation or return for the use of the buildings, roads, drains, fences, and other improvements made on the farm (when such improvements are made by the landlord). Rent, properly so called, consists of the first only of these portions; the second, though usually included under the term, being obviously the return to, or profit from, the capital expended upon the land. There are but few instances in old-settled and densely-peopled countries in which the rent even of inferior farms is not derived from both these sources; though, from the various ways in which a large class of improvements are mixed up and blended with the soil, it is rarely possible for the most experienced agriculturist to separate his rent into its proper elements, or discriminate between the sum he pays to the landlord as proprietor of the soil, and that which he pays to him as profit on the capital laid out on its improvement.”

So says Mr. M'Culloch; yet it is only a matter of book-keeping. If negligence or incapacity to keep accounts be admitted as an excuse for the non-payment of taxes, it would soon tell on other professions besides agriculture. Mr. M'Culloch proceeds to remark of rent proper—paid for the use of the land only—that:—

“It is easy to see that it might be entirely swept off by a tax, without prejudice to the interest of any class except the landlords. Such tax could not raise the price of corn or other raw produce; for nothing can affect its price unless it either affect the cost of its production or its supply; but a tax on the real rent of land does neither. It cannot, it is evident, have any influence over the cost of production, for real rent is extrinsic to, and independent on, that cost, and consists of the surplus produce remaining after the profit on improvements has been deducted, and the cultivators have been fully indemnified for the expense of cultivation, and have obtained the common and ordinary rate of profit on their capital; and though it would vary the distribution of corn, it is obvious that a tax, which has no influence over its production, could not affect its supply. The true conclusion, consequently, is, that the prices of all sorts of farm produce would continue unaffected, though a tax were imposed absorbing all the real rent of land; meaning, by real rent, the sum paid for the soil only.”

The proposition involved in this hypothesis is not that of the Financial Reform Association, and they would guard against it. What they ask is, that rent should pay its fair proportion of the taxes, and not stand exempted as it now does; that it should restore the land-tax, or an equivalent to it, which it has, in a great measure absorbed. It has been seen in the cases adduced from Hampshire, Cheshire, and Scotland, and such proofs are adducible from every county in the kingdom, that all the taxes imposed on the cultivators of the soil are defrayed out of his share of the profits, and that they are not greater than the same taxes imposed on persons in trade; while, from several which other persons bear (or they bear taxes on production analogous to them) the cultivator is free, the production of the landlord's rent is not taxed in any degree. For though, in the absence of all taxes on the cultivator, he would receive more rent (as he now receives more by the partial exemption of agriculture from taxes, which fall on manufactures and trade, than he would do were agriculture fairly taxed with other industrial interests), the question with which the public have to deal is not what he might or might not receive, but what he does now receive and puts in his pocket, or his bank, or pays to his house-steward. That sum of present rental bears no taxes whatsoever, except the tax on income, miscalled, in this instance, property-tax.

There are those who would blind the public eyes by the allegation that the ex-

penditure of this rent on servants, tradesmen, or other persons ministering to the wants or luxuries of the rent-owner, is, through *their* consumption of taxed commodities, a contribution from *him* to the national revenue. Why not allege, also, that if he pay it to his mortgagees, and they expend it on taxed articles, he contributes it to the national revenue through his mortgagees? If he does so in one case, he does so in the other; but it is a mental illusion to suppose his doing so in either. The mortgagees have given him money on loan, and they receive interest for the value given. Had they not loaned their money to him, and had his rent or himself never existed, their money would have found an investment otherwise, in all likelihood in something more productive and profitable to the general interests of the nation, than in enabling him to spend his rent by anticipation, and consume without production. In like manner servants and tradesmen have given him personal service or goods, or artistic skill; he only pays for value received. And again, had he or his rent no existence, those servants and tradesmen would still consume such articles as contribute to the revenue by being employed otherwise, in all likelihood more profitably to the general interests of the nation.

Mr. M'Culloch proceeds, after the propositions and the hypothesis now quoted, to contend (having just shown that the nation would be no poorer in agricultural produce, though no rent existed) that the rent-owners should not pay a rent-tax or land-tax, or any special tax, for certain reasons. One reason is, the impossibility of discerning real rent from that part of rent which is profit upon productive capital. We have already said this is only a question of simple accounts. He gives a supposititious case, founded on ignorance of practical agriculture; if not intended, it is likely to mislead. He says: "Suppose, for example, that the gross rent of a farm is £500 a year, a half or £250 thereof being, in fact, the interest on capital laid out on its improvements"—"houses, fences, drains, roads, and other improvements."

Were it the rule to expend on fixtures a sum of money equal to the purchase of the estate, which is here inferred, and were any smaller expenditure the exception and not the rule, this argument might be admitted for what it would be then worth. But the exception, and not the rule, is the expenditure of capital on improvements by the landlord; and even then there is no such thing in practice, not even as exceptions to a rule, as the investment of a sum in buildings, &c., equal to the purchase money of the estate. It is a wild supposition, a disordered dream, and nothing more. In Ireland the general practice is to leave the erection of all buildings soever to the tenant. In some counties of England a sum equal to one year's rent in twenty-five years has been estimated as the outlay on fixtures. In many districts it is far below this. In Scotland, where steam-machinery has been erected to thresh the crops and perform various farm-yard work, and where all buildings (except the houses of the labourers) are suitable to their uses, their first cost is never more than from two to three years' rent of the farm upon which they are erected; their repairs are kept up by the tenant; their partial renewal at the end of his lease of nineteen years is not calculated at more than one year's rent of the soil; while drainage, fencing, and even the cartage of materials for buildings and farm roads, are done at the cost of the tenant.

In England there are no such buildings as a general rule; but if there were, it would be as easy to distinguish between their cost in a landlord's account-book and the value of the soil, as it is for a merchant to distinguish between the value of a cargo and the freight of a ship.

But the cost of farm buildings and other fixtures, and their estimated value for letting to a tenant, are two different things. Take the cost of the fixtures, and over all England a fractional per cent. of the land rental would be sufficient interest upon the actual cost; but take the estimation of their value to the tenant on the certainty that he could not do without them, nor replace them with others sufficient for the operations of agriculture, and a different kind of value is arrived at. This last is usual in valuing for rent, but it is a fiction, so far as the present argument is concerned.

Mr. M'Culloch's next argument in favour of that of rent being exempted from taxation (which, though it existed not, he says, would be no loss to anybody but the landlords) is, that a portion of the produce being allotted for taxes the landlord would not improve the cultivation of his estate. This is worse and worse. The

estates are improved by the capital of other parties than the landlords. That is one answer. The land is eagerly sought for as an investment for capital to be expended reproductively, if leases of nineteen years, or even shorter, be granted. And tenants who possess sufficient capital and skill replace their capital in that time with a profit, and give the landlords a share, all the fluctuations of markets notwithstanding. But whatever their profits or losses may be, it is certain that, if a term of years can be obtained, there is no lack of capital nor enterprise for the permanent improvement of land, though it be certain that a portion of the profit is to go annually to the landlord, and at the end of the lease he is to possess all the improvements absolutely. And yet, in the face of this practical fact, nay, in the face of the fact that two-thirds of the surface of England is cultivated and less or more improved by yearly tenants, who have their rent increased as their improvements become developed, Mr. M'Culloch would have us believe that the payment of a tax to the State by the landlord, who possesses the fee-simple of the soil, who would always be in possession of the permanent improvements, would be a bar to his undertaking them!

SECTION XXX.

ON THE ENCOURAGEMENT OF SMUGGLING AND DISHONESTY OFFERED BY OUR PRESENT REVENUE SYSTEM.

The Association are possessed of so many proofs of obstructed commerce, paralyzed industry, financial improvidence, and acts of official injustice, arising in their daily experience of the system of indirect taxation in the port of Liverpool, that they here adduce some of those proofs in a supplementary section.

Some months ago an eminent Liverpool house—eminent alike for high integrity and mercantile honour as for wealth—had a vessel loading a cargo of deals (pine planks, cut to certain dimensions) at a port in one of the North-American colonies. Tobacco being low-priced there, and our revenue system affording a bounty of 600 to 700 per cent. to the smuggler, the second mate and his watch agreed to speculate in this contraband article, and take advantage of the enormous bounty. It was an easy adventure for them; the ship was already provided; they had no freight to pay for the conveyance of their tobacco to Liverpool; they would be themselves paid by the owners of the ship. If the tobacco should be seized in the ship, there was but a remote chance of their being discovered; the penalties would fall upon the shipowners at Liverpool. They were, indeed, not likely to be discovered, as they would be looked upon by the revenue officers as incapable of paying penalties; whereas the shipowners would be able to pay that penalty which the revenue officers, by instinct and training, hunt for.

They proceeded, in the first place, by damaging the cargo of the merchants, who were ultimately to be victimized by penalties, which to prevent was physically impossible. They cut a quantity of the deals, laid them so as to form a square cavity of considerable dimensions, which they filled with tobacco. This they covered with deals, and brought all safely to Liverpool.

Here, however, their venture miscarried, not through official vigilance—the vessel had been officially rummaged—but by the treachery of the boatman they employed to land the tobacco, or because some one in the venture could make more for himself by sharing in the fine to be levied on the shipowners than by awaiting the sale of the tobacco. Of course, the tobacco was immediately seized and confiscated. The reader, unlearned in the operations of the revenue system, and believing in *Magna Charta*, the Bill of Rights, and that justice is the aim and end of all law, will expect to hear that the next step was a vigilant search for the offenders, in order to their punishment. That reader is egregiously mistaken. The sailors could not have paid a fine; to convict them would have been trouble for nothing; the scent did not lie in their direction. The ship was seized, and the owners fined. They offered a reward for the discovery of the smugglers, and they succeeded in finding them, though the officers could not. Now, mark the revenue law. Because a reward had been offered by the innocent shipowners to discover the guilty parties who had placed the ship in that peril and injured the cargo, they were legally advised that a conviction would, most probably, not take place; while the evidence which the revenue prosecutors convicted the innocent owners upon was that of

informers, who obtained half the penalties as *rewards*! The ship *might* have been confiscated, but the revenue board were merciful (!) they allowed the vessel to be bailed at her full value, and ultimately fined the owners only £100 for the crime of having dishonest servants. It is beyond all question that the strictest orders had been given in this, as in all other cases, to the mariners of the ship, that they were not to introduce any contraband article on board; but the two-fold premium held out to them by the British Exchequer was stronger than these injunctions—the premium of an enormous per centage of profit if they sold the article, or the share of the fine upon the ship, if they might think it safer to be their own informers, and the premium of the law favouring the guilty to escape.

This case is one out of a multitude. The Association are informed, upon good authority, that about four hundred vessels are annually seized in the port of Liverpool alone for having tobacco concealed on board. Probably in not *four* of the four hundred cases is there the slightest pretence for suspecting the owners of any knowledge of, or connivance at, this breach of the revenue laws. The penalties inflicted range from about £10 to £50, about half of which are understood to accrue to the seizing officers, a booty which neither promotes the public interests, nor exalts their character.

It may possibly occur to the reader to inquire why the owners of these ships, who confessedly are in no degree guilty, should be mulcted in this scandalous manner? The "Honourable Board" have their answer ready: "Smuggling must be put down." But how the fining of the owner is to deter cook and steward, carpenter and boatswain, from smuggling, while the law offers them such bounties as have just been detailed, they do not explain, nor do they give any satisfactory reason for persisting in this iniquitous practice after so many years' experience of its utter futility. But, as they do not give such explanations or reasons, the Association must do it for them. The truth is simply and briefly this. The whole customs' establishment, from the "Honourable Board" to the lowest tidewaiter, have just as earnest a desire to put down smuggling as insurance companies have to put down fires and shipwrecks—the means whereby they live. How could the "Honourable Board" magnify their office and overtop and overbear all other men without smuggling?—without respectable merchants and shipowners coming cap in hand, "respectfully representing," and "humbly praying," that they be not robbed too outrageously? What would become of the fees of the solicitors to the boards of customs and inland revenue? And what a melancholy end there would be of "gratifications" to the seizing officers, and of bribes to those who do not seize! It may be safely concluded, that whoever desires the extinction of smuggling and its consequences is not a custom-house officer, nor in any way connected with the revenue service.

But "the master must be responsible for the act of his servant." To what extent? *Civilly* he is, and properly so; but not *criminally* in any but revenue cases. Whoever heard of fining a man for an assault because his cook had slapped the milkman's face, or transporting him for a forgery committed by his clerk? The revenue practice is as legally anomalous as it is morally unjust and tyrannical. It is to be observed, moreover, that of all people living the "Honourable Board" are the last who have any right to expect other men's servants to be kept in such exact discipline, seeing how very badly they succeed with their own. In proof whereof, the Association need only refer to a large blue book on customs' frauds, published a few years ago, some extracts from which have already appeared in their tracts. If the commissioners cannot make the officers in their own port of London honest and faithful in the discharge of their duties, on what pretence can they require merchants to control men often hired only "by the run," men not at all expecting or caring for permanent employment, and thousands of miles distant? For merchants to keep such men honest, under the temptations held out to them, is obviously impossible. The only inference to be drawn from the continuance of the system, despite all the evidence against it, is, that it is but a base, dishonest pretext for robbing innocent men, because they have money and do not wear swords.

Sir George Grey, in the House of Commons, on the 9th August, thus expounded the relative liabilities of employer and servant, officially endorsing the decision of Mr. Justice Alderson in the recent case of *Gay v. Eastern Counties Railway Company*:—"Now he believed—and he was speaking under the correction of gentlemen of the legal profession if wrong—that it had long been a settled rule of law, that if

a servant wilfully did an illegal act the master was not responsible, unless it could be proved that such illegal act was done by his orders, or with his knowledge and consent (hear). With regard to the second question, his reply was, that there was no intention on the part of Government to bring in any bill to alter the long-established rule of law by which masters were not held liable for the acts of their servants, except such as were done with their orders or with their consent (hear)." If this be the law between party and party in the Common Pleas, why is it not also law between the honourable board and their victims (the shipowners) in the Exchequer?

In connection with this subject, the Association desire to ask one or two questions, with a view to obtaining information which at present they do not possess.

First—If a trade can be made profitable, are not men generally found to carry it on, whatever degree of moral turpitude it may involve?

Second—If a hundred weight of manufactured tobacco can be put on board ship at New York or New Orleans for £2, and, being there secreted, to be in due time discovered by an active and well-informed officer, thus involve the shipowner in a penalty of £20 or upwards, one-half of which, it is presumed, said officer would receive for his own benefit; is there any other trade, which would be as profitable, or half as profitable as this?

Third—Has any of this business been done? or is it in operation at the present time?

Notwithstanding the frequent escapes of the smuggling crews of ships, the number of persons implicated in this demoralizing traffic, and convicted by the stipendiary magistrate of the offence, is so great as to be a serious burden for their maintenance in prison; and, a short time ago, Mr. Rushton stated, with a significance which should arouse the ratepayers of Liverpool, that if the offences against the revenue continued, they would soon require a new gaol in Liverpool for that class of prisoners alone. Let this be met in time, and as it only can be obviated by removing the cause of offence, leaving the offenders to the alternative of honest traffic.

The following illustration of the oppressive and atrocious character of the present excise system is extracted from the proceedings of the London Insolvent Court:—"On Monday, July 22, 1850, William Grimstone, the inventor of an herbaceous compound known as 'Grimstone's Eye-snuff,' applied to be discharged. His debts were about £6,000, and his credits £45. The insolvent, upon examination by Mr. Nicholls, stated that his present debts were the consequences of repeated prosecutions by the Government against him for making and selling his snuff, which was entirely made from British herbs. The Government had tried to treat this snuff as an excisable article, in the shape of tobacco; they prosecuted the insolvent in a manner that was calculated to cause the ruin of the insolvent, and not only of him, but of all those who sold his manufacture. At last the Government consented to take a nominal verdict; but the costs that he had to pay were ruinous, amounting to £11,000. He was first prosecuted in 1824; but obtained a letter of protection from the Earl Errol and Lord Liverpool, then in office. In 1827 he was again prosecuted by the Stamp-office; but, upon the production of the letter of protection, he was allowed to continue his trade, and he went on until 1839, when Mr. Nowberry, of St. Paul's-churchyard, employed Mr. Tyrrell to sue him; and, in 1845, the whole of his agents received an intimation that, if they continued to sell the 'Eye-snuff,' they would be prosecuted; and accordingly, in 1847, ninety-seven prosecutions were issued against them, notwithstanding the letter of the Treasury in 1824. The consequence was, that he had fifty or sixty agents every morning at his house with letters, demanding from him a fine of £40, which they looked to him to arrange, and also to take back all his snuff, which he did from all his agents.—Mr. Cooke said that ninety writs were issued in one day against as many of the insolvent's agents, for an alleged violation of the Stamp Act, in vending the 'Eye-snuff.' The expenses were enormous, his trade was stopped, and the result was his present difficulties.—Insolvent stated that he was at one time advertising to the extent of £5,000 a year, and should have made money but for the vexatious proceedings of the Government.—The further hearing of the case was postponed."

FINANCIAL REFORM TRACTS.

No. 25.

THE STAMP LAWS.

SECTION I.—INTRODUCTION.

THE tracts and newspaper articles published by the Liverpool Financial Reform Association, exposing the injustice, peculation, waste, extravagance, and folly, that characterize every part of the expenditure and taxation of the country, into which they have hitherto examined, derive their chief value and interest from the fact of their being almost entirely based upon the reports of Parliamentary commissions and other public papers, printed and published by order of Parliament. The voluminous nature and mysterious and diffuse character of these blue-book documents, require great labour, reading, and study, to enable the Association to select and arrange, in a concise form, the parts that are most important; and these blue-books not being easily accessible to the public in general, the great usefulness of the Association's publications will be immediately seen by all.

On the same plan the society will continue its labours; and, in this and succeeding articles, will proceed to another most important part of their work;—the exposure of the insidious and deceptive nature, and the gross and flagrant injustice towards the middle and working classes, of our present Stamp Laws, and they call earnestly upon their readers to give due attention to the subject.

The importance of this subject cannot, perhaps, be better proved than by stating the position the Stamp Taxes occupy in respect to the amount they produce. It will be found, by the Parliamentary returns, that the item of stamps occupies about the third place in the public revenue. The largest is the customs, the next is the excise, and the third is stamps, the last of which produces the enormous sum of upwards of seven millions of pounds sterling, or about two millions annually, more than the income and property tax.

Mr. Chitty, twenty years ago, in the preface to his "Treatise on the Stamp Laws," says:—"This branch of the revenue, although now very productive, may, by consolidating the present provisions and introducing some few amendments, be rendered still more productive, and, at the same time, less vexatious and burdensome to the public." Mr. Chitty addressed lawyers, and wrote like a lawyer, and what he says here is true. But *a few amendments and alterations are not sufficient*—the whole system must be revised and effectually reformed.

In the following sections we shall proceed to expose the iniquity and folly of the present Stamp Laws; and, in order to give as clear and explicit an understanding of this important subject as possible, the Association will proceed by giving a short history of the first introduction and the subsequent growth and progress of the system.

SECTION II.

THEIR HISTORY, &c.

The first, and therefore most memorable, Act of Parliament imposing Stamp Duties, is the 5th and 6th William and Mary, c. 21, entitled "An act for granting to their Majesties several duties upon vellum, parchment, and paper, for four years, towards carrying on the war against France."

The next statute passed is the 9th and 10th William and Mary, c. 28. Its title is, "An Act for explaining and regulating several doubts, duties, and penalties in the late act for granting several duties upon vellum, parchment, and paper, and for ascertaining the admeasurement of the tonnage of ships!" The title to this act, it is considered, explains the intention with which it was passed; but lest the public should fall into the error of supposing that mixing up the tonnage of ships with the Stamp Duties is a mystification of the Association, and hence conclude that it cannot possess very clear ideas of what it is writing about, it informs them that this jumbling of one thing into another is a favourite eccentricity with the fabricators of acts of Parliament, with which every one conversant with the statute law is familiar. Numerous instances could be furnished; and should this animadversion on the absurdity of the practice render it less frequent in future, it would be beneficial to the community.

The act immediately following the above is 9th and 10th William III. c. 25. By this law Stamp Duties are imposed upon deeds, leases, and other documents, and also on legal proceedings. The tenth year of the reign of William III., being in about 1699, was rather past the time at which the Stamp Duties, imposed for four years, should have ceased to be levied; but here we have an act perpetuating and increasing their number. With respect to the duties on law proceedings, the public have been relieved from these by 5th George IV. c. 41. Various acts follow in the reign of Queen Anne for regulating, and also for increasing, the various Stamp Duties, until the reign of George I., by which time stamps were required to be affixed to a great variety of documents, besides those charged with Stamp Duties by the earlier acts. The 1st George I. c. 12, constituted the Stamp Duties a part of the aggregate fund; and in this reign, the reign of George II., and also in the beginning of that of George III., several other acts were passed, when we come to the 23rd George III. c. 49, which would appear to be what may be correctly termed the first modern act upon the subject of the Stamp Duties, if an unimportant provision of 1st Anne, c. 22, be excepted, as, though for the most part repealed, a portion of it is understood to be still in force. This is the first act charging bills of exchange and deeds with Stamp Duty, of which any portion is now law; but it was a repealed act, framed one year before or in 1782, by which bills of exchange and notes were first charged with Stamp Duty; and it may just be mentioned, the amount of duty at that time was very moderate, being for all bills under £50, *threepence*; and for all such documents given for larger amounts, *sixpence*. The readers of this paper will immediately observe the great difference between these sums and the present rates of duty upon bills and notes of hand; but it should be remembered that the increase in this item of the Stamp Duties will bear no comparison to that in many others, as we shall hereafter make manifest. The 23rd Geo. III. had the effect of increasing most of the Stamp Duties, and was the first statute which charged them upon agreements. With regard to agreements, they afford the rare example of practical and important relief to the community being afforded by recent legislation on the Stamp Laws. By the act just mentioned a Stamp Duty of sixteen shillings was charged upon every agreement the matter whereof should exceed the value of twenty pounds, with one or two trifling exceptions. By the 44th Geo. III. such agreements, with the alteration that the matter of them need not *exceed* but only *amount* to the value of twenty pounds, were charged with a duty of sixteen shillings; and by the 48th Geo. III. the same duty of sixteen shillings was continued. The duty on the same instruments, however, was subsequently augmented to one pound, and continued to be of that amount until the great boon conferred on the public by the passing of the recent Act, 7th Victoria, c. 21, by which the duty on agreements, previously charged with one pound, was reduced to *two shillings and sixpence*. By this statute immense relief is afforded to all the industrious classes. To use an expression which, were it not unfortunately so seldom required, might be stereotyped, the measure is "a step in the right direction," and may be taken as an example of the improvement which might be effected in the Stamp Laws, the greater part of which is infinitely more burdensome than the part of it which, till the passing of the act just mentioned, was in force respecting certain agreements.

The 31st George III. c. 21, follows next in order. It imposes penalties on accepting or paying unstamped bills; declares that such bills shall be inadmissible in evidence; and prohibits the Commissioners of Stamps from stamping parchment

or paper after the same shall have been written upon. It is considered an important statute. The 32nd George III. c. 51, is entitled "An act to exempt certain letters passing between merchants or persons carrying on trade or commerce in the kingdom containing agreements with respect to merchandize, notes, or bills of exchange, from the Stamp Duty now imposed on written agreements." This statute is deserving of a few passing remarks, as it affords an example of the wide-spread injury occasioned by the injudicious imposition of Stamp Duties, and as the provisions of this act also are embodied in the present law. The act recites, "that doubts had been entertained respecting its operation upon correspondence between merchants resident in different parts of the kingdom, which, if subject to the effect of the said act, and not within the provisions by way of exception thereto, would be attended with many evils to the commerce of the country." In plain language, it was supposed that the 23rd George III. c. 58, would render inadmissible in evidence on trials of causes, letters between merchants containing anything which could, by the ingenuity of lawyers, be strained into agreements, unless such letters were stamped; and as the act provided that no agreement could be stamped except within twenty-one days after it was made, it is very easy to understand that many most important transactions between merchants residing at a distance from each other would be rendered absolutely nugatory for want of a stamp. It is easy to see how this might be the case now, and more easy to see how it might have been the case upwards of fifty years ago, when the 23rd George III. was passed. The exemption provided by the 32nd George III. does not extend to parties not residing at the time of writing the letters at the distance of fifty miles from each other. The exemption, and also the limitation of the exemption, just mentioned, are both law at the present day, the Association would say, as is well known; but it is persuaded that neither is this, nor a thousand other effects of the Stamp Act, well known to the general public; and it therefore proceeds to observe, while on the subject of correspondence constituting agreements requiring to be stamped, that not only is this the case, but that where "divers" letters shall be offered in evidence to prove any agreement, the stamp required is £1 15s. The act states (were the thing possible, it might almost be said satirically), "Where *several* letters constitute an agreement, it shall be sufficient if any one of such letters be stamped with a stamp of £1 15s." Here, however, in steps the common law, and, besides innumerable other decisions on the subject, determines that if one instrument (that is, one letter) be distinct, and does not refer to the others, though they may constitute *one* transaction, *several stamps* are necessary—35s. stamps, it is presumed. From this severe law there is no relief, for the very acceptable statute, 7th Victoria, c. 21, only applies to agreements charged by the Stamp Act with a duty of *one pound*; therefore, by the rules of construction of statutes known to lawyers, all agreements charged with a duty *other than* one pound are excluded from the operation of the act. These observations on agreements have caused a short digression from our sketch of the history of the Stamp Laws, but we were naturally led to them by our remarks upon 32nd George III. c. 51. After this act follows one to relieve friendly societies from the operation of the Stamp Laws. The 30th George III. c. 55, is an act relating to receipts, a great portion of which is still in force. The Association fears tiring the public by particularizing even the mere titles of any more acts of Parliament; but there are many others on various matters connected with the Stamp Duties, and they are all more or less still the law of the land, relative to policies of insurances, probates of wills, newspapers, appraisements, and appraisers' licences; it therefore merely mentions the 48th George III. c. 149—an important act that repeals, for the most part, the prior duties, but retains the *regulations* of the prior acts—and concludes this paper by introducing the public to the notorious 55th George III. c. 184.

SECTION III.

This all-important act on the subject of the Stamp Duties, is thus entitled, "An Act for Repealing the Stamp Duties on Deeds, Law Proceedings, and other written or printed Instruments, and the Duties on Fire Insurances, and on Legacies, and Successions to Personal Estate upon Intestacies now payable in Great Britain;

and for granting other Duties in lieu thereof." It was passed on the 10th July, 1815, so that the incubus has pressed upon the community for nearly thirty-four years. The remarks upon the act which follow will have reference principally to the *schedule*, which is made a part of the act, by its second section; but a few observations upon such of the previous provisions as are interesting to the general public will make the matter clearer. Passing over the first six sections, relating principally to particulars of the *management* of the Stamp Duties, we come to the seventh, which makes the yielding to the temptation of evading the operation of the disgraceful law—by forging stamps, using them twice, or transposing them—felony, punishable with *death*; and punishable with death these offences remained until about the year 1830, when capital punishment was abolished in cases of forgery, and 1833, when the other modes of evasion of the duties were made liable to imprisonment or transportation for various terms of years, or for life, at the discretion of the court. The 37th section of the statute provides, that, if any person shall administer any part of the effects of any deceased person, without obtaining probate of the will of such deceased, or letters of administration to his effects, within six calendar months after the death, every person so offending shall forfeit £100 and £10 per cent. on the amount of Stamp Duty payable on the probate. When the examples hereafter given of the manner in which this probate duty taxes the less wealthy part of the public are considered, the severity of the penalty will be apparent.

The 43d section imposes a penalty of a similar amount on any executor, who, on discovering that he has, by mistake, paid too little duty, shall not pay the proper amount in addition within six months after discovering his error. The objection to these penalties, and especially the latter, is principally on the ground that they are enormous in amount. We may pass to the schedule of the act, after noticing the 54th section, which contains the august provision, "that nothing in this or any other act shall extend, or be construed to extend, to charge with any stamp duties *ginger and peppermint lozenges, or any other articles of confectionery*, unless the person vending the same shall vend the same as medicines, or as beneficial for the prevention, cure, or relief of any distemper, malady, ailment, or disorder incident to, or in anywise affecting, the human body; *then a stamp-tax is paid.*" The newspaper press has been satirizing our turbulent neighbours the French upon the trivial nature of the subjects upon which they have lately been legislating. We suppose that, when the Imperial Parliament of Great Britain defines the cases in which "ginger and peppermint lozenges" shall be subject to the Stamp Tax, and makes an absurd mistake in principle in doing so, the legislation is not trivial.

The schedule to the 55th Geo. III. c. 184, is divided into three parts, as follows:— "Part the first, containing the duties on admission to offices, &c.; on instruments of conveyance, contract, obligation, and security for money, on deeds in general, and on other instruments, matters, and things not falling under either of the following heads." "Part the second, containing the duties on law proceedings or proceedings in the Admiralty and Ecclesiastical Courts, and in the several courts of law and equity at Westminster and other courts in Great Britain, and in the offices belonging thereto, and before the Lord High Chancellor, or the Lord Keeper or Commissioners for the Custody of the Great Seal, in the matters of bankruptcy and lunacy." "Part the third, containing the duties on probates of wills, and letters of administration, on confirmation of testaments, testamentary and dative, on inventories to be exhibited in the Commissary Courts of Scotland, on legacies out of real or personal heritable or movable estate; and on successions to personal or movable estates upon intestacy."

With regard to the second part of the schedule, the greater number of the items upon which it imposed Stamp Duty were exempted from the charge of such duty by 5th Geo. IV. c. 41, *therefore* the observations which follow will be confined to the first and third parts.

The first and third parts of the schedule to the 55th Geo. III. constitute, in fact, nearly the whole of the practical parts of the Stamp Laws; and the method which the Association will pursue, in dealing with these important enactments, will be the following:—First will be exposed the unjust and partial working of the tax, which is manifest by merely a careful inspection of the schedule itself, accompanied by a few arithmetical calculations; then will be explained the immense loss and inconvenience caused to the public by that part of the operation of the tax, hidden not

only from ordinary observation, but from all observation whatsoever, except that of persons much experienced in the matter—a loss and inconvenience falling with the greater severity as people are less able to bear it; and, lastly, a few suggestions will be offered as to the manner in which the Stamp Laws may be so revised, as while, on the one hand, inestimable relief from the grievous burden would be conferred upon the community, on the other hand, a large augmentation would be afforded to the revenue.

The only principle which is to be discovered as being kept in view by the framers of the schedules to the Stamp Act, is the one of loading small transactions with a heavy amount of duty, and keeping large ones, comparatively speaking, nearly exempt. Or, to put the matter in a shape still plainer, the more wealthy shield themselves from the payment of their fair proportion of this tax at the expense of the middling and lower classes of society, in a number of cases in a manner the most open and notorious, and in as many others in a manner not less flagitious, though less open and notorious. Besides which, in the management of the Stamp Duties as well as in the greater part of other public business, the officials carry matters with a very high hand, and extensive jobbing would appear to be practised. The statement of Mr. Sedgwick, published in the *Liverpool Mercury* of 17th April, 1849, throws some light upon this part of the subject.

The item of agreements is the first example adduced of the inequitable operations of the Stamp Laws. Any agreement, the matter whereof shall be of the value of £20 if it does not contain more than 1,080 words, is charged with a duty of £1; one which contains more than such a number of words with a duty of £1 15s.; and for every entire quantity of 1,080 words over and above the first 1,080, a further progressive duty of £1 5s. Every agreement, whatever may be the value of the property dealt with by it—whether a cottager's potato-garden of a few rods, or the largest estate of a wealthy nobleman. The recent alteration in the stamps upon agreements, which has before been explained, is not forgotten, but, of course, that alteration does not affect the *principle* upon which the tax proceeds.

The duty charged upon appraisements shall next be taken, and as the scale is but short it may be copied entire. The item stands in the schedule to the Stamp Act as follows:—"Appraisements or valuation of any estate or effects, real or personal, heritable or movable, or of any interest therein, or of the annual value thereof; or of any dilapidations; or of any repairs wanted, or of the materials and labour used, or to be used, in any buildings; or of any artificers work whatsoever!"

	£	s.	d.
Where the amount of such appraisement shall not exceed £50.....	0	2	6
And where it shall exceed £50, and not exceed £100.....	0	5	0
And where it shall exceed £100, and not exceed £200.....	0	10	0
And where it shall exceed £200, and not exceed £500.....	0	15	0
And where it shall exceed £500.....	1	0	0

It will be observed that, speaking in round numbers, appraisements are equally taxed up to the amount of £200, when the principle of equality in the construction of the scale would appear to be abandoned, as, while any valuation over £200, say £225, would be charged with 15s., £500 would pay no more. The difference between £225 and £500 would, therefore, pay nothing. Should it be said that the same observations would apply to the fact that £125 would be charged with 10s., and £200 would be charged with no more, it is answered that the leap between £125 and £200 is only £75, it could not well be less, without going into fractions of £100 and 5s. respectively; whereas, in the other case, the case of £275, not only is the £75 passed over, but the £200 besides, which might be taxed without the aid of fractions; secondly, the £200 pays 5s. per cent.; the £500 pays 3s. per cent. only. The Association feels that in this part of the Stamp Act it is dealing with small sums (it will come to large ones by-and-by); but if in the postage scheme the scale advances by *ounces* of weight, why, in the Stamp Act, should not the scale advance by *hundreds of pounds*, at all events? Let this plan be considered for a moment, to see how it would operate. On the left is showed the amount which would be produced by six supposed appraisements of the respective amounts of £50, £100, £200, £300, £400, and £500, by a scale constructed on a fair principle; on the right is showed the amount which would be produced by the same appraisements as by the present—

£	£ s. d.	s. d.
50	0 2 6	2 6
100	0 5 0	5 0
200	0 10 0	10 0
300	0 15 0	15 0
400	1 0 0	15 0
500	1 5 0	15 0

The deficiency, it will be seen, is 15s., which, in every such six cases, is lost to the revenue by neglecting to tax the higher amounts at the same rate as the lower. Besides which, the appraisement scale is not carried higher than £500 value; all above that amount pay nothing in addition to the £1 charged on that sum. It is again repeated, that, at present, small sums are being dealt with, but what of that; if appraisements are to be charged at all, let them be charged fairly. If the success of the postage scheme, by which such invaluable blessings are conferred on the public, entirely depends on the careful husbandry of pence, and *only pence*, why in the Stamp Duties should we not be equally careful of the shillings? to say nothing at present of the pounds, which, as will hereafter be showed, are abandoned to the more wealthy classes with a recklessness still more glaring. There are items in the first part of the schedule to the Stamp Act which come before those already touched on, but they are not of any great public interest.

SECTION IV.

The Association next specifies the duties on bills of exchange. These amount to the maximum rate of 50s. per cent, on the smallest sums—namely, bills for £2, and gradually diminish to 6d. per cent. on the largest; a bill for £3,000 being subject to a stamp tax of 15s.

Now, just let the practical effect of this manner of constructing this scale be considered: a scale, let it be remembered, in which only small contributions to the revenue are being dealt with. The poor man borrows of a friend forty shillings, for which he gives a promissory note; upon this note he pays a tax of 1s. If, then, this be a fair tax for the poor man, it is fair for the rich one; therefore, when he borrows £3,000, upon the same principle of taxation, he should pay a tax of £75; but he pays 15s. only, and the revenue loses on only one such transaction £74 5s. Why, in the absence of proof less clear than that with which the public is furnished, the iniquity would seem incredible! The Association is quite aware that the 1s. will cover a bill for £5 5s., and that the 15s. stamp would be paid on one for £2,000; but even in this latter case the enormity of the injustice is not much less flagrant, and, in some cases, which might have been put, it could have been showed to be more flagrant; for however large may be the amount for which the bill may be given, only a 25s. stamp would be payable on it. It can scarcely be that an apologist for the Stamp Laws can be found; but suppose one to exist, and to say—“Well, but is there no reason for this state of things? Perhaps this almost nominal tax on large money transactions is imposed because of the extraordinary number of them, for the benefit of trade in some way.” Let us see. By the Parliamentary returns of the number of stamps issued for bills of exchange, then, it is showed that the tax presses with the greatest weight precisely where it is most frequently paid, so that it cuts with two edges. Oh! says our apologist, now I see it. I fully admit the great partiality of this manner of taxing Her Majesty’s lieges; but it has no practical evil effect; these large transactions in the bill way are almost unknown, and your loss of £74 5s. on one bill of exchange has scarcely any existence but in your imagination. Let us see again. In the same Parliamentary return, we learn that the number of stamps issued in one year for bills of exchange of this description exactly, was nearly 13,000; take it at 12,000, and the amount of loss, at the rate of £74 5s. a bill, will be £891,000, *getting on for a million sterling!* Be it remembered that this loss is sustained on one particular description of bills only; and while the number of stamps issued for bills for higher amounts certainly diminish, those for the lower, in which a proportionate loss to the revenue arises, steadily increase, so that in every year thousands upon thousands of cases occur, equally monstrous in principle, and scarcely differing in degree. The scale adduced is the one for inland bills; the one for foreign bills is equally objectionable.

The Association would next call the public attention to the duties on bonds ; and the same scale applies to mortgages and warrants of attorney, the documents most frequently in use being mortgages. In fixing the rates of these duties, our legislators have begun with the needy person, who wishes to borrow £50. On this small sum the charge is £1; on the borrowing of £100, £1 10s.; on £200, £2; on £300, £3; and on £500, £4. Now, one would suppose that if the Stamp Duty on a mortgage of £100 is £1 10s., that on £500 should be £7 10s., and not £4 only. On £1,000, £5; £1 10s. is charged upon £100, and only £5 on £1,000, instead of £15. On £2,000, £6. Now, surely, admitting for a moment that a Stamp Duty of £5 on a mortgage of £1,000 is sufficient, notwithstanding one of £100 is charged with £1 10s., it is too bad that a £2,000 mortgage should only be charged with £6; while, at the same time, one only for £50, a fortieth part of the amount is charged £1, a sixth part of the tax. To proceed: the borrower of £3,000 pays a Stamp Duty of £7; of £4,000, £8. Let it be observed, that in this part of the scale £1,000 is only charged with a duty of £2, while in the hands of another—and it is fair to presume a poorer person—the borrower of that sum by itself, it would be charged with £5. Again, a mortgage of £5,000 is charged with a Stamp Duty of £9, one of £10,000 with £12. £10,000 is charged with £12 duty only, when £500 is charged with £4! £10,000 taxed after the rate of £500 would produce £80. Observe, also, the construction of the scale. Lower down we find it, “exceeding £100, and not exceeding £200; exceeding £200, and not exceeding £300;” by which plan every additional hundred pounds pays an additional tax, as it ought to do; but now we find it thus—“exceeding £5,000, and not exceeding £10,000;” in accordance with which any sum under £5,000, though it be £4,999, may be borrowed without paying one farthing in stamp duty. Now, this may be a very easy way of constructing a schedule to a stamp act; but whether or not it is likely to insure its legitimate purpose, that of raising, in an equitable manner, part of the revenue of the country, the public will determine. Once more, £15,000 pays £15, £1 per thousand, though, in the beginning of the scale, £50 is charged with the same duty. Lastly, £20,000 is charged with £20 stamp duty—£1 per thousand again. It will be found, on examination, that mortgagors borrowing upon their property sums varying from £50 up to £500, pay, on an average, a duty of £1 per cent.; but that the borrowers of sums varying from £5,000 up to £20,000 contribute to the revenue in this way, to the amount, on an average, of but two shillings and threepence per £100; and, in addition to this, in mortgages exceeding £20,000, however great the excess may be, no advance is made in the duty; but, perhaps, the most forcible way of showing the unfair method pursued in levying this branch of the revenue is by the following table. Let it be taken for granted that the sum charged by the Stamp Laws on a mortgage of £50 is a fair and proper amount, the matter stands thus:—

Sums Borrowed.	Stamp Duty Paid.	Correct Stamp Duty.	Loss to the Revenue.
£	£ s. d.	£ s. d.	£ s. d.
50	1 0 0	1 0 0	0 0 0
100	1 10 0	2 0 0	0 10 0
200	2 0 0	4 0 0	2 0 0
300	3 0 0	6 0 0	3 0 0
500	4 0 0	10 0 0	6 0 0
1,000	5 0 0	20 0 0	15 0 0
2,000	6 0 0	40 0 0	34 0 0
3,000	7 0 0	60 0 0	53 0 0
4,000	8 0 0	80 0 0	72 0 0
5,000	9 0 0	100 0 0	91 0 0
10,000	12 0 0	200 0 0	188 0 0
15,000	15 0 0	300 0 0	285 0 0
20,000	20 0 0	400 0 0	380 0 0
£61,150	£93 10 0	£1,223 0 0	£1,129 10 0

Thus we see a loss to the country of no less a sum than £1,129 10s. takes place on only thirteen mortgages. In truth, this scale of duties is a most disgraceful

one. The Association considers that it cannot be reprobated in terms too strong, and that it is impossible to find for it one word of excuse, much less justification; it plunders the poor, and unfairly favours the rich.

Objections of the same kind, but not in quite the same degree, may be made in the Stamp Duties payable on conveyances. The injustice perpetrated by this scale is not *quite* so great, though it is sufficiently so to merit the most decided condemnation, and goes as far as to tax transactions up to £100,000. The mortgage duties, it will be remembered, stop at £20,000. How is this comparative fairness to be accounted for? Is it because the "landed interest" do not sell so often as they mortgage? To stop at £100,000, however, is to stop at a point far short of what it ought to reach.

The item of settlements is a striking instance of unjust taxation; not so much in the inequality of the rate charged, as in the smallness of the amount. Settled property pays, on the settlement being made, a tax of about £1 per £1,000. A borrower of £50 on mortgage, it has been seen, would pay as much as this; besides which, the sale advances no higher than £20,000. Why this? Settlements are made either upon marriages, or instead of wills, to avoid probate and legacy duties. What class of society usually makes use of them? The nature of the case is such, that it *must* be the wealthy. Moreover, let it be understood, that it is only on settlements of *money*, or stock, that this trifling *ad valorem* duty is paid; a settlement of *lands* is only chargeable with the common deed-stamp of 3*5s.*, however great may be the value of such land.

The Association now dismisses the first part of the schedule, just observing that there are many other items, such as leases, life-insurance policies, receipts, &c., charged with a Stamp Duty upon the same glaringly-unjust plan; and, for the reason heretofore given, passing over the second part, proceeds to the third part, which is entirely occupied with the obnoxious probate and legacy duties.

SECTION V.

It is only this department of the Stamp Laws which has hitherto received any share of the public attention. The reason for this is to be found in the fact, that it possesses a feature of partiality in its operation, in addition to the one which characterizes all the other items made liable to the Stamp Tax; but, nevertheless, the holding forth the probate and legacy duties to public opprobrium, to the exclusion of all other portions of the Stamp Laws, is founded, in a great measure, in error, and a correct understanding of the subject seems desirable.

The probate and legacy duties, then, are of this nature. Probate duty is a tax paid by the personal representatives of deceased persons, upon the gross amount of the property which such deceased persons leave to their descendants. *Legacy duty* is a tax, *over and above* the probate duty, paid by the persons who succeed to the property of the deceased, with the exceptions of the husband or wife, who pay no *legacy duty*. *Probate duty* must be always paid. Neither probate duty nor legacy duty is chargeable upon real, that is, freehold or copyhold estates, except when these are *devised to be sold*; then *legacy duty* must be paid, but *not* probate duty. The probate duty is an *ad valorem* duty, that is, an *ad valorem* in the usual Stamp Law acceptance of the term, and the legacy duty is graduated according to the relationship of the legatee, to the deceased. The whole arrangement is insultingly prejudicial to the less wealthy classes, and odiously partial in its operation. But, as a general rule, this fact has been lost sight of in animadversions on the probate and legacy duties, giving place to the more obtrusive ground of complaint, that real property is not subjected to the imposts; and this is not to be wondered at, for, as has been mentioned, while the estate of a person of the middle class, who may die and leave to his family a bare provision in personal property—indeed, a pittance merely, a few legacies, not a provision—is heavily taxed by means of the probate and legacy duty; the family of a rich landed proprietor, who dies possessed of freehold estates to the value of £500,000, or, in fact, to any amount, however great, is not called on to pay *one farthing* in this way. Freehold estates *devised to be sold*, are, however, as we have seen, made subject to legacy duty, and leasehold estates pay both probate and legacy duty; but what class of society is it which devises real estate to be sold? And as to leasehold pro-

erty, who *grants* the leases, and who *owns* the leasehold property? Take the various productive estates in London, for instance, the multitude of valuable houses held on lease, the traders, the owners of the houses, contribute immensely to the Revenue, in respect of them, in probate and legacy duties; the ground landlord pays nothing. The latter fact, by the way, affords the public an opportunity of judging of the force of the arguments invariably made use of, on the few occasions when any member of the Legislature has had the courage to denounce the iniquity of the duties in question, namely, "the burdens on land," the whole of which may be shortly affirmed to be "rigmarole," and an interested attempt at the mystification of a plain matter. There may be burdens on land, but the proprietors of the land have hitherto taken care that they will not bear them; and even did they bear them, no "burdens on land" could possibly justify such a one-sided and fraudulent system of taxation. But while all this is true, and while the Association admits the justice of the indignation, which is excited by this exemption of real property from the probate and legacy duties, it would strenuously warn the public against agitating for the imposition of this tax upon such property, as a measure *by itself*, and apart from the revision of these duties, and indeed the whole of the Stamp Laws. To do so would be a suicidal act, for it should be remembered, that though the middling and working classes of society have *but little land*, they have some; and, in practice, it is well known that a family is often much relieved by being able to escape the plunder of the probate and legacy duties, through the fact of a deceased relative having left behind him *real*, instead of personal, property; besides which, it is in the power of every one, able to save by his industry, to invest his savings in freehold land and houses; and, further, were probate and legacy duty imposed on real property, the classes intended by the measure to be made to contribute to the tax, would, probably, in the absence of a general revision of the Stamp Laws, and amongst them the stamps on settlements, evade it, by having more frequent recourse to the latter contrivance. To the demanding the rectification of the *inequality* of the probate duties, however, and that as loudly as possible, no objection can be urged; and to the Association must now make an observation or two on that head. Great as is the inequality of this scale of the schedule to the Stamp Act, it is to be understood that it is not nearly so great as is the scale for stamping bonds and mortgages; the latter unblushingly proceeds to diminish the rate per cent. of taxation, as the amounts borrowed get larger, and stops at the comparatively small sum of £20,000; the rate of taxing the former, as a general rule, is *higher* as the amount is greater, until about £900 (still a *small estate*, however) is reached, *then, as a general rule*, the average or medium rate per cent. is less as the property is greater; but nothing like so glaringly so as in the mortgage and some other duties; and it does not stop until it reaches £1,000,000. The objection to the probate duty does not lie *so much* in its operation in the way of a medium rate per cent., as in the fact, that, by the manner in which the scale is constructed, large amounts of property escape the tax altogether. To put a case. A small estate of only £400 would pay a probate duty of £8. Higher up in the scale we find that if an estate be of the value of £10,000 and under £12,000, it would be charged with £200. Take, then, £11,600, it would, as we have said, pay £200. There are twenty-nine times £400 in £11,600, twenty-nine times £8, which £400 would pay by itself, amounts to £232; the large estate is, therefore, favoured £32 only, though it should be remembered it is favoured to this amount. The injustice in this scale is not so much in this respect. Look at the mortgage scale. A mortgage of £400 would pay £4 in stamp duty; but a mortgage of £11,600, so far from paying £200 and thus favouring the rich to the amount of £32 only, would pay a stamp of but *fifteen pounds*, and favour the rich *two hundred and seventeen pounds*. It is, therefore, clear, that the *inequality* of the probate duty, so far as *rate per cent.* is concerned, is moderate when compared with the mortgage duties; but when we examine into the construction of the scale we discover that, incidentally, it inflicts an injustice scarcely less, in this manner. Estates above the value of £10,000, and under the value of £12,000, pay the tax of £200; thus—£2,000, less £2, escapes tax altogether; whereas, an estate of exactly £2,000, less £2, would pay the probate duty of £40; and, as higher in the scale, it proceeds in leaps, first of £5,000, then of £10,000, then £20,000, then £50,000, then £100,000; each of these intermediate sums, less £1, to meet the requirement, "and under," pay nothing to probate duty; while, if the rich were "tarred with the same

brush" as the poor, such sums would contribute *immensely* to the revenue. It is in this way that the disgraceful inequality of the operation of the probate duties is made more clearly to appear, and it is then seen to be a grave offence indeed; and here the Financial Reform Association can, by giving an example of the inequality now being exposed, show that its uninadversions have not always reference to a particular class. Take the case of the well-known "Jemmy Wood," of Gloucester: at his death his effects were sworn under £900,000; take them at £800,000, and assuming the probate duty in the lower part of the scale of £30 or £1,000 to be a proper amount, the country lost on his estate, by unequal taxation, £12,000. And here also, it will be appropriate to introduce an illustration of one of the ways in which the Stamp Duties grind the poor. The case now to be mentioned, alluded to by the Association in the first paper on the present subject, was of actual occurrence. A man is dying and in destitution, except that he is entitled to a reversionary interest in a small property in the funds; the interest, be it remembered, is a *reversion*, that is, a person is entitled to it *for life*; and it is not till after that party's disease that the individual in question can get it. His need obliges him to raise a small sum of money on it by way of mortgage; the property being small, the Stamp Duties begin with him, by fleecing him in the way before explained. Being now in possession of about £100, and the reversionary interest, he makes his will, and dies. It is then obligatory on his executors under a penalty of £100, as also before explained, to prove his will, when the Stamp Law again victimizes him, or rather his family, in the shape of the enormous probate duty; the Ecclesiastical Court duly forwards a copy of his will to the Stamp-office, and down comes an application for the legacy duty, payable by his children. A case of this kind has in it a peculiar hardship, in addition to the usual one of the partial operation of the Stamp Duties, that the man contributes to the tax in respect of property, which, in fact, he never enjoyed, and never will enjoy; for it is a reversion, and he died before it become payable, and possibly, the tenant for life may survive even his children.

The objection to the *legacy duty* can lie only in the *amount*, and in the fact that real property is exempted from it, except it be contended that the rich should pay not only an *equal* rate per cent., but a *greater*, being better able to afford it; in the same way as we should expect a larger voluntary subscription for a charitable or patriotic purpose from a wealthy individual, than a poor one. This tax is levied thus—children of deceased persons pay £1 per cent.; brothers and their descendants, £3 per cent.; uncles and their descendants, £5 per cent.; great uncles and their descendant, £6 per cent.; and persons of any other degree of collateral consanguinity, and strangers in blood, £10 per cent. In fact such is the effect of the probate and legacy duties on the less wealthy classes, that, were it not for their productive industry, a not very small estate would, in a few generations, be altogether absorbed by them. For some unaccountable reason, enormous as is the probate duty, the amount of duty charged on the estates of persons dying intestate is very much greater.

The readers of this and the previous papers are now tolerably well acquainted with the manner in which the greater part of the Stamp Tax operates on the poorer section of the public; and, if the case need further strengthening, let the Stamp Duty on *indentures of apprenticeship* be considered, an item of the impost falling exclusively on this poorer part of the community. Now it is surprising, when we remember the general operation of the Stamp Laws, to see the manner in which the Stamp Act applies to apprentice indentures. Here is no skipping over large sums of money, to make even then but a very small increase in the duty; every additional sum is charged, and that not in its just proportion, but in more than its just proportion. For instance, it is found that £6 is to be paid on a premium of £100; £12 is also to be paid on £200; £20 on £300, more than three times the tax on £100; as is also £25 on £400, more than four times the tax on £100; on £500, £30; on £600, £40; and so on up to £1,000, which sum pays £60, exactly ten times the sum £100 pays, after which no advance is made. No decrease of tax is seen as the scale ascends here; the proportion paid, in consequence of presumed better means, is larger, as if here it was quite proper to tax on the plan just now suggested, until we get past £1,000, when, if the scale operates at all, it is in favour of the rich. Now, just let the Association recall attention to the mortgage duties. Here it may be repeated, though £1,000 is

charged with £5 duty, £15,000, fifteen times the sum, would only pay £15, three times the tax.

The Financial Reform Association now concludes its exposure of "the unjust and partial working of the Stamp Tax, which is manifest by merely a careful inspection of the schedule to the act, accompanied by a few arithmetical calculations." It might have been made more diffuse by giving more examples, but it needs not many proofs in a plain matter, and it therefore leaves the public to decide, whether or not common justice, mere decent and plausible justice, even does not imperatively call for a revision of this most impudent piece of financial tyranny. Impudent piece of financial tyranny though it be, however, if the public would be relieved, the matter must not be slept over, as witness the following extract from the newspapers:—

"House of Commons, Thursday, March 10, 1849.

"Public expenditure and taxation.—Motion made and question proposed,—

"That this House do resolve itself into a committee to consider the public expenditure and the existing system of taxation, and how far both may be revised, with a view to relieve the pressure upon the industry of the country (Mr. Henry Drummond) whereupon previous question put—'That that question be now put'—The House divided, ayes, 100; noes, 151."

Let not the importance of the Stamp Tax, in the "system of taxation" be forgotten, namely—

Customs	21,655,662
Excise	13,919,652
Stamps	7,671,324

In the last year the probate and legacy duty *alone* produced upwards of *two millions* sterling.

SECTION VI.

The Financial Reform Association, in its third section upon this important subject, observed as follows:—"First will be exposed the unjust and partial working of the tax, which is manifest by merely a careful inspection of the schedule itself, accompanied by a few arithmetical calculations; then will be explained the immense loss and inconvenience caused to the public by that part of the operation of the tax, hidden not only from ordinary observation, but from all observation whatsoever, except that of persons much experienced in the matter."

The promise contained in the first clause of the above quotation has been performed. The unjust and partial working of the tax, which is apparent upon a careful examination of the schedule to the act, has been exposed; and the Association now proceeds to redeem the pledge implied in the second clause of the quotation—"to explain the immense loss and inconvenience caused to the public by that part of the operation of the tax, hidden not only from ordinary observation, but from all observation whatsoever, except that of persons much experienced in the matter." This branch of the subject will be worked out in a manner coinciding as much as possible with the one already discussed, in order that the series of papers on the Stamp Laws may be made as perspicuous as possible.

The Association, however, pauses for a moment; on the one hand to congratulate the public upon the prospect of relief afforded since the publication of their last paper; and on the other hand, to pass a few observations upon that prospect of relief—that is, upon the alteration of certain of the Stamp Duties—promised by the Chancellor of the Exchequer. Notwithstanding that the Association was convinced that the task which has remained unfulfilled by the legislature for so many years, that of revising the Stamp Duties, must, to quote its own words, "be undertaken, and that without delay," it would scarcely have ventured to flatter itself or the public that it would have been entered upon so soon. But, it has only been entered upon; it is proposed merely to mutilate the monster, not to destroy it—a course of proceeding which the Association ventures to tell Sir Charles Wood will not satisfy the public. The Association deprecates the reiterated sophism in reference to the Stamp Laws, believed, or professed to be believed, by all the uninformed, in which class it appears must be included even the Chancellor of the Exchequer himself; for, of course, wilful misrepresentation cannot be imputed to the right honourable baronet. The sophism alluded to is, that an equitable revi-

sion of the Stamp Duties will cause a decrease in the revenue. This is simply nonsense. An equitable revision of the Stamp Duties will, as the Association has in a previous paper remarked, afford a *large augmentation* of the revenue; and before even the proposed limited alteration has been long before the public, the truth of this position will be admitted. A word of caution may here be useful. It will, as has been observed, soon be apparent, that the Stamp Duties, even under the intended most meagre amelioration of the principle of their imposition yield more money; *more money will soon be taken out of the pockets of the public by the Stamp Laws*; but this more money, be it always remembered, will be taken out of the pockets of the wealthy, who have been hitherto next to exempted from contributing to the tax. But even could it be shown that a loss to the revenue *would* take place by revising the Stamp Laws, this would afford no argument for leaving the thing undone; for the revenue of a state ought to be made fairly up by *all* classes of citizens, and not by one class only, and that class the one the least able to contribute towards it. But to return to the immediate subject of the paper.

The first proof of the "loss and inconvenience caused to the public by that part of the operation of the Stamp Tax hidden not only from ordinary observation, but from all observation whatever, except that of persons much experienced in the matter," which is adduced, is furnished by some of the technicalities of the Stamp Law upon mortgages.

The conveyance of what the law calls "the equity of redemption," for instance, or the conveyance of lands or houses already in mortgage. This will be best understood by putting a case. An individual, A, purchases property, say for £1,000; upon this he pays a stamp duty of £12; he mortgages it to B for £750; upon this he pays a stamp duty of £5. A has now the right to his property, subject to the mortgage to B, or the "equity of redemption" of it—a species of interest every day the subject of sale, and even of mortgage. A then sells his right to redeem to C; that is, C agrees to buy of A, for £300, A's property, *subject to the mortgage for £750 to B*, and he requires this property to be conveyed. Now, the Stamp Act provides that every conveyance upon the sale of any lands or other property, real or personal, or of any *right, title, interest, or claim* in, to, out of, or upon any lands or other property whereby the lands or things sold shall be transferred or conveyed to any purchaser," shall be charged with a certain amount of duty upon the purchase money; and common sense suggests to every one that the purchase money in the case supposed is £300, for C has agreed to give A £300 for his property, subject to the mortgage; and that, this being the case, the Stamp Duty to be paid on the conveyance should be the stamp upon one for £300; but, however consistent with common sense this view of the affair may be, it is not consistent with the Stamp Act; for this goes on to provide that, "Where any lands or other property shall be sold and conveyed, in consideration, wholly or in part, of any sum of money charged thereon by way of mortgage, wadset, or otherwise, and then due and owing to the purchaser, or shall be sold and conveyed, subject to any mortgage, wadset, bond, or other debt, or to any gross or entire sum of money, to be afterwards paid by the purchaser, such sum of money or debt shall be deemed the purchase or consideration money, or part of the purchase or consideration money, as the case may be, in respect whereof the said *ad valorem* duty is to be paid; therefore, in estimating the amount of purchase money, in order to know the stamp payable, the lawyer is compelled to reckon not only the £300 to be given for the property, but the £750 *for which it is mortgaged*, and which, no matter when, perhaps a week, perhaps a month, perhaps a year ago, paid heavily to the revenue on the making of the mortgage; the purchase money in the case put would, therefore, be not £300, but £1,050, and pay a duty not of £3, but of £12; and it would pay this duty, or rather this extortion, upon *every* transfer of the property while it remained subject to the mortgage, however numerous those transfers might be; and this heavy duty is paid whether the purchaser be the mortgagee himself or a third party. Now, is not this monstrous? The lawyers tell us that "Hard cases make bad laws." However that may be, we all know that "bad laws make very hard cases." Witness the above hypothetical transaction. Sir Charles Wood, it is hoped, will never pass over this grievance if he still persists in his imperfect and impartial emendation of our subject; a few words in his bill may put an end to it for ever.

There is another technicality in the law of mortgage stamps productive of con-

considerable expense and inconvenience, though of but small moment when compared with cases of the nature just explained. The Association will state the technicality alluded to in the words of a professional publication, and then give such an elucidation of it as may be necessary to adapt it to the comprehension of the general reader. The inconvenience alluded to is sustained in the case of "*transfers of mortgages*," thus—"If a transfer of mortgage contains a fresh covenant for payment of the money, or any additional security be given, a deed stamp of 35s., as well as the transfer stamp of 35s., is necessary. So where a further sum is advanced and additional security is given for the original sum, there must be a deed stamp as well as the *ad valorem* stamp for the further sum;" that is to say, B borrows of A £1,000, upon which he pays the mortgage stamp fixed by the act. After a time A calls in his money. B cannot pay, and requests C to pay and take a *transfer of the mortgage*. C consents to lend the money, but is not satisfied except B strengthens the security. Now, the law provides that every transfer of mortgage shall be stamped with a 35s. stamp, by virtue of which *one* stamp of 35s. would be sufficient upon the transfer, *simply as such*; but an additional security being to be given by B to C, the transaction has been decided by courts of law to be no longer a *simple* transfer, but by virtue of such additional security a new deed also; and as the principal Stamp Act requires that every *deed* shall be stamped with a stamp of 35s., because it is a deed, a transfer of mortgage with an additional security cannot be received in evidence without paying to the Government *two stamps* of 35s. each, though the sum secured may have paid the full mortgage duty ever so short a time before.

In the second case, put above, where upon a transfer of mortgage a *further sum* is advanced, over and above the *original sum* secured, the following hardship occurs:—that not only must an *ad valorem* duty be paid, in respect of the further sum advanced, but if the transferee of the mortgage takes a covenant from the mortgagor to pay him not only the *further sum*, but also the *original sum*, which he ought to do to be safe, a deed stamp of 35s. must be paid, as well as an *ad valorem* stamp upon the further sum. In other words, B borrows of A £1,000, upon which he pays the proper stamp; some time after he requires £500 more. A will not lend it, and C, on the application of B, agrees to pay A his £1,000, and lend B £500 more; not only is the proper stamp to be paid upon the further sum of £500, but another one of 35s. in respect of the covenant by B to pay C the £1,000, as well as the £500, the former sum being just as much due to him as the latter. Until the framing of 3rd Geo. 4, ch. 117, upon making a transfer of mortgage with a further sum advanced, the *same duty* was paid as if the mortgage had been an original one; just as in the case of the sale of an equity of redemption the duty is to be paid, not merely on the purchase money, strictly so called, but also on the money for which the property is in mortgage. The humane statute just mentioned has, however, altered this, and an immense relief it has been found to be; though, from some inaccuracy or want of skill in penning it, the lesser injustice of the deed stamp is still inflicted. This deed stamp, it should be observed, covers a transaction of any amount, whether of £50 or £500,000. With regard to the deed stamp in this particular case, in consequence of a decision of one of the superior courts of law, promulgated some years since, the members of the legal profession considered themselves justified in dispensing with it, and actually did dispense with it for a considerable period of time; a *more recent* decision, however, appears to have settled the question, and to have made the affixing of the deed stamp *compulsory*; besides which, all transfers of mortgage with further sums advanced, which were stamped on the strength of the *former* decision, are rendered inadmissible in evidence by the latter; and the Commissioners of Stamps, with a rigour in perfect consistency with the odious law which they administer, will not affix the 35s. stamp without payment of a penalty of £5, though the penalty is only claimable by virtue of an *ex post facto* law.

This is the proper place to mention the lease for a year stamp. The document called a "lease for a year," on the conveyance of freehold property, was an ingenious contrivance of legal practitioners to save the public expense and inconvenience. In the same manner as almost every other thing, physical and metaphysical, it was found out by the Government, and made the subject of taxation. The Stamp Act took the document in hand from the consideration on the purchase being "next to nothing at all," when the duty was 10s., and increased it by jumps up to £150,

when it was £1 15s. It never, however, got further than that; so that if the thrifty artisan or tradesman invested his savings in buying a small house, value £150, *he* paid a £1 15s. lease for a year stamp; and if my Lord Poodle or Sir Geoffrey Noodle bought a considerable part of a county, *he* paid a lease for a year stamp of £1 15s. It is not forgotten that the lease for a year stamp need not always be paid by reason of another ingenious device of conveyancers; but for this the public have to thank the lawyers, not the legislature; and in innumerable cases the use of the lease for a year was compulsory, until a few years ago, when, as a crowning act to this piece of injustice, the legislature dispensed with the *document* called "the lease for a year," but *kept on the stamp* in cases where, but for this dispensation, *the document* would have been required. The act of Parliament by which this absurdity was committed deserves to be shown up; it affords an example of the way in which the public are gulled, by either legislative ignorance or design, and reminds one of the mountain in labour with the mouse. The act alluded to is the 4th Vic. c. 21. It declares that it is "expedient to lessen the expense of conveying freehold estates," and enacts that a release shall be sufficient to convey an estate without a lease; but it provides that every such deed "shall be chargeable with the same amount of duty as any bargain and sale, or lease for a year would have been chargeable with, in addition to the usual *ad valorem* duty." The attorney's fee for preparing a lease for a year, supposing he required any, was from 10s. to £1. Now, how ridiculous the thing appears! Fancy the Imperial Parliament of Great Britain, in solemn conclave assembled, to dock an attorney's bill of 10s., while in the very same breath it perpetuated an act of crying injustice. It is proper here to observe that the Chancellor of the Exchequer has managed to discover this anomaly, and purposes to abolish the lease for a year stamp.

Another instance of the latent injustice inflicted by the Stamp Act, is in what is called the "*progressive duty*" on deeds, or an additional stamp for every certain number of words in the document over and above the first certain number. It is *exactly the same* in all cases, whatever the amount; not even an attempt or pretence is here made to consider the value of the property dealt with.

SECTION VII.

The remaining examples of the unfair operation of the Stamp Laws, to which the Association will call attention, will be taken from that branch of them applicable to probates of wills and letters of administration, and to legacies. An important one has already been alluded to in a former paper. It is furnished by the fact, that, while real property specifically devised, or given by will, in kind, is not charged with the legacy duty, devise the same to be sold, and it immediately becomes chargeable. This law, it is conceived is exactly contrary to the principle which ought to be acted upon in taxation—that is, the making that taxation as little burdensome as possible. It is evidently the case that if an individual receives houses or lands by virtue of a will, in the same state as they were enjoyed by the late owner, as a general rule, no unusual expenses would attend on the taking possession of them; but that multitudinous charges must, of necessity, be incurred, if the same property be directed by the will to be sold, and the proceeds to be paid to the legatee; and that, therefore, the legacy duty, so far as it affects the devise of real property, falls precisely where it presses most heavily. Further, in the case of the sale of real property, and consequent transfer of the possession of it, a considerable proportion of the unavoidable expenses is made up of stamps to the Government, which is an additional proof that the case of the taxing ought to be the case of the exemption, and *vice versa*. Another example of the immense pressure of the legacy duties which requires to be pointed out, or felt, before it is noticed, is furnished in the common instance of personal property changing hands rapidly; in such instances the tax almost amounts to an absolute confiscation of the property itself. Take the following case of actual occurrence:—A, possessed of £6,000, died, and left it to an intimate friend, a stranger in blood, B, who paid ten per cent. on the amount, or £600. B therefore took £5,400, and, being aged, lived on such residue for twelve years only, and then died, and left such £5,400 to friends, strangers in blood equally. These paid £540 in legacy duty, or £10 on £5,400;

thus, in the course of twelve years, a small personal estate of £6,000 is made to pay £1,140, or more than a sixth, in legacy duty, to which must be added the probate duty on the two deaths, being £120 on the first and £100 on the second, £220 together, making the whole tax upon this little estate of £6,000, in twelve years, £1,360. The Association has advocated, and still does advocate, a fair tax on property, both real and personal; but it does not advocate an enormous tax on personal property in order that real property may be exempt, much less does it advocate confiscation of property, whether real or personal. It is of opinion that the probate and legacy duties should attach to both real and personal estates.

Another hardship in the operation of the legacy duties occurs in the case of money being left to a person for life, and the principal to other persons after the decease of the annuitant. In this case, if the annuitant and the persons entitled in reversion, or entitled to the principal, pay the *same* rate of duty, such duty is payable immediately. To state a case. A leaves £2,000 to be disposed of thus: the proceeds to B for life, and the *principal* to C and D after the decease of B. All the parties pay the same rate of duty, say 10 per cent., this amounts to the gross sum of £200. The whole of this duty in the case put must be paid at once, the same as a legacy to be enjoyed immediately by one person. Suppose B to live forty years, the *simple* interest upon £200 for that time would amount to £400, which, added to the £200, would be £600; thus increasing the nominal tax of 10 per cent., already sufficiently large, to 30 per cent. The *compound* interest, if gone into, would, of course, prove the case to be much more severe in respect of the loss inflicted. If the same legacy were given to a person for life, and others in reversion who pay a *different* rate of duty, the person taking the proceeds for life would pay on such proceeds as an annuity of the same amount, and be allowed four years to make the payment; and the persons entitled to the principal would not pay until they *received* it. It is manifest that the regulation in the latter case is a grateful modification of the tax, and it seems difficult to understand why the same merciful consideration is not shown in the former. There is also much that is very oppressive in the mode of assessing and collecting the legacy duty which ought to be pointed out. With regard to the probate duty, an affidavit of the executors of the amount on which the duty is chargeable is considered sufficient for the satisfaction of the authorities; but, with respect to the *legacy duty*, the most minute and inquisitorial surveillance is exercised by the Government, in order to be satisfied that no part of the estate escapes the infliction of the tax. The printed forms of what are termed residuary accounts, furnished by the stamp distributors, prove this. These stamp distributors can only receive and transmit queries and replies, to and from the head-office, and are not competent to deal with the law, generally somewhat arbitrary, of the particular cases; and thus almost interminable delay, vexation, and expense, often takes place before the authorities at Somerset-house are satisfied they have got all out of an estate that can possibly be obtained. Such are some of the leading objectionable features in the assessment of property left by deceased persons to the probate and legacy duties.

It only now remains, as was also promised, to offer a few suggestions "as to the manner in which the Stamp Laws may be revised, as while, on the one hand, inestimable relief from the grievous burden would be conferred on the community, on the other hand a large augmentation would be afforded to the revenue."

In doing this an opportunity is afforded the Association to prove its readiness to lend its aid to Her Majesty's Government in carrying their projected measures into effect, if they would but evince, in the conception of those measures, a patriotic and philanthropic regard for the well-being of Her Majesty's subjects. The Association will, therefore, accept with thankfulness and adopt the identical scheme for the revision of the Stamp Duties devised by the present Chancellor of the Exchequer, provided only the right honourable baronet will progress through the whole schedule of the Stamp Act in a statesmanlike manner, and not timidly stop short on the threshold of his good work.

The Association is quite content to take the proposed bill for the alteration of the Stamp Laws as a type of improvement to be effected in them for the advantage of the public, so far as reducing the amounts to be paid by the poor, and increasing those to be paid by the rich, is concerned, but can go no further. Compared

with what ought to be done, and as a piece of statesmanship, the thing is an abortion. To point out some of its defects: the penalty for stamping a deed after execution, not stamped at all, or insufficiently stamped, has hitherto been £5. This was severe enough, especially when the insufficiency of the stamp was often a disputed point, when the Commissioners of Stamps themselves were often the judges of the sufficiency or insufficiency of it, and when, very frequently, the best of the argument was on the side of the *sufficiency* of it. This penalty, however, is, if the bill pass, to be increased to £10, or *double the duty*, if the stamp be more than £10. Hitherto, also, if a deed were improperly stamped, no further inconvenience was suffered than the inadmissibility to give it in evidence in a court of justice; this might never be required, and if required, upon payment of the penalty the stamp could be affixed almost at the very last moment. To this it is proposed to add the more serious penalty of making the party to the deed, or the solicitor preparing it, or both debtors to the Crown, for doing which not a shadow of a reason has been suggested; and a novel and summary remedy has been provided to enforce payment of the omitted duties and enormous penalties. The Association must here pause to express an earnest hope that such heavy fines will not be inflicted upon the community for the non-compliance with laws so admittedly uncertain in their definition as those under consideration. Further, the new bill has for its object the reduction of the duties on small transactions; therefore, all transactions incident or collateral to these small ones should also be released from the present high charges for stamps. For instance, a conveyance of land, value £25, will be charged with a stamp of 2s. 6d.; but let the same property be conveyed for a consideration *not va. luable*, say from an honourable member or his partizan to a relative to create a vote it would be charged with a duty of 35s. A mortgage for £50 will require a stamp of 5s.: but a *transfer* of the same mortgage would require one of 35s. The above are only a few of the proofs that might be furnished of the abortive nature and objectionable features of the new bill; besides which others have been alluded to in the present and prior papers of the Association. The thanks of the Association and the public to the present Chancellor of the Exchequer must, therefore, be qualified. Such qualified thanks are, however, cheerfully and respectfully tendered.

Since the above treatise was published in the shape of papers separate, though continuous, the bill alluded to above has been abandoned, and another introduced and passed, constituting the Act 13 and 14 Victoria, c. 97, which is rather an improvement on the bill as first introduced, the point most worthy of observation in the history of which is this: Soon after the debate on the stamp laws commenced, it was seen by honourable members that, however they might alter the stamp laws, equality in the rate of taxation was absolutely unavoidable; consequently, it became a prime object with them to keep down this rate as low as possible. Now, the Chancellor of the Exchequer had proposed, *inter alia*, 10s. per cent. as the rate of stamp duty upon mortgages; but it was immediately apparent that 10s. per cent. would have the effect of extracting large sums in stamp duty from large mortgages which would not suit large mortgagors; ultimately, therefore, the rate per cent. was fixed at 2s. 6d. per cent. So that while for 34 years, during which large mortgages were mostly exempt from stamp duty, the public were made to pay a stamp duty of £1 10s. upon a mortgage for £200. No sooner is the rate of payment, whatever it may be, to be extended to the wealthy, than it is all of a sudden discovered that a stamp of 2s. 6d. is enough on a mortgage of £100.

FINANCIAL REFORM TRACTS.

No. 26.

INDIRECT TAXATION.

SECTION XXX.

ON THE ENCOURAGEMENT OF SMUGGLING AND DISHONESTY
OFFERED BY OUR PRESENT REVENUE SYSTEM.

(Continued from No. 24.)

SUPPLEMENTARY SECTION—"CLEARING OUT."

THE Association continue the proofs of obstructions to commerce through the cumbersome system of the custom-houses. Unless the reader be a dweller in some seaport town, and is connected with its trade, it is not probable that he knows what the two simple words *clearing out* mean at the custom-house, though elsewhere they are often only too painfully intelligible. Be it known, therefore, that before exporting any goods whatever, a merchant is required to pass an "entry" at the custom-house, setting forth the packages, with their marks and numbers, and the contents, with their weight, measurement, and value, all which are stated at large in, or endorsed upon, a document called a "cocket." This document is sent out by the ship, and a copy, called a "bill" remains behind, from which secretaries of the Board of Trade and other official and non-official persons vainly imagine that a tolerably correct account of the value, quantities, and descriptions of all goods exported may be compiled. Any youngster of sixteen, with four months' experience of custom-house business, could tell them how little such statistics are worthy of reliance. Nevertheless, the law is severe, and enforced by all manner of penalties and declarations to compel the merchant's compliance with the official requirement for those worthless returns. We have known a merchant fined five pounds for being a few hours too late in passing an entry, even though that entry was the first notice the searcher had of the goods being on board ship; but, doubtless, his "gratification," worthy man! was paid as if the merit of the discovery had been all his own, and that "gratification" is, of course, the first thing cared for in those cases.

We have also known three hundred packages of manufactured goods, value, probably, ten thousand pounds or more, to go in one single ship without any entry whatever, by private arrangement between the shipper and the master of the vessel, the very broker who loaded her knowing nothing of the transaction until she had cleared; all the eyes of all the searchers and surveyors not supplying the least hint of this "gross irregularity," committed in open day, and, possibly, in full view of a "depot."

But to return to our "clearing out." Before a ship can proceed upon a voyage, the master is required to present to the collector of the customs, under a penalty of £100, a detailed schedule of his cargo, made out upon a paper called a "content." This must contain a statement of the marks and numbers of packages, weights of loose goods, &c. &c.; and to the truth of this he must declare in the presence of the collector, who thereupon signs the content, as also an uncouth-looking card, attached by red tape and wax to all the cockets passed by the ship. The captain having run the gauntlet through six or seven different officials before meeting the collector himself, at last has the document handed to him, and is free to proceed upon his voyage.

Now this ceremony is a flagrant example of that inculcation of falsehood, or, at least, compulsory departure from truth, so prevalent throughout the whole of our revenue system. When a ship sails in ballast, or when her cargo consists of a certain number of tons of iron, salt, or coal, the captain may possibly know something of the truth or untruth of his declaration; but when there is a general cargo he knows literally nothing of the matter; but, as a "custom-house oath" (so runs their common saying) "flies no higher than the mainyard," he cares as little as he knows. The content is filled up by the agent's clerk, not from the cargo book or bills of lading (to make these agree with the entries in a large cargo of manufactures has long been abandoned as impossible), but from the endorsements on the cockets, which are more or less erroneous or defective in every such clearance. The captain solemnly declares to the truth of this document, which he has never looked at, and the correctness of which it would in many cases occupy him a week, or the cleverest clerk two days, to verify. But having declared to that which he knows not the truth of, he goes away rejoicing that he is at last "cleared out." This is, perhaps, not much worse than receiving theological articles in a non-natural sense, or swearing affidavits in Chancery; but it operates with equal force to destroy the veracity of Englishmen.

To enable the reader to estimate the importance of "clearing out" punctually, it may be sufficient to mention that ships with cargoes worth £50,000, and often with 300 to 500 steerage and other passengers, are cleared out in Liverpool every week, and that missing a favourable wind by only one tide has frequently detained ships in the port for one, two, or three weeks, at an expense of money, annoyance, and suffering not easily calculated or expressed. Keeping this fact in mind, what shall be said to such hindrances to the despatch of ships as the following?

The searcher at the dock discovers, an hour before the time for clearing, that a shipper has neglected to enter his goods, and forthwith puts a "stop" upon the ship, cargo, and passengers, until the delinquent shipper has made his peace with the collector and comptroller by a deposit of money sufficient to defray such fine and "gratification" as the Honourable Board (before whom all these weighty matters must go) may please to order.

A passenger, quite ignorant or regardless of customs' regulations, orders for his own use, or that of a few other passengers, without the slightest hint to captain or consignee, five gallons of brandy out of bond, which is on its way to the ship in charge of a locker or cart-follower, just at the time when the captain should be making his declaration. The entry is not completed; the red bills are not returned from the dock; duties to the amount of £3 18s. 9d. (15s. per gallon and five per cent.) are at stake; the ship must wait until all the formalities have been complied with.

If bricks, soap, or any other exciseable article upon which drawback is claimed, form part of the cargo, an officer's book, containing a certificate of their being actually on board, must be returned to the custom-house before the ship can "clear." That some such voucher should be required before the shipper receives his drawback seems reasonable enough; but why the ship should be detained about a matter in which the owners have no concern, has never been explained or justified. The fact, however, is, that many ships have been prevented clearing, because this precious blue book had gone astray in a tidewaiter's pocket—to the public-house or elsewhere; the revenue interest in the matter possibly amounting to the drawback on 10,000 small bricks, at 5s. 10d. per thousand, and five per cent.; or to the drawback on five hundred-weight of soap or paper, at 14s. per cwt., and five per cent., and always deducting 5s. for the debenture stamp!

Entries may be passed up to three o'clock. The regulation is for ships to clear by half-past three, though some little indulgence is usually granted. Imagine a dozen or twenty ships to be cleared, and some scores of entries coming to the clearance-clerks at the last moment—a very frequent case; the scrambling and pushing—the schemes and devices of the merchants' clerks to get through, when failure may possibly lose a young man his situation, all testify against the continuance of this pernicious revenue system.

It is due to the principal officers of the customs generally to say, that they have been found disposed to facilitate the dispatch of business as far as "board's orders" and the "regulations" would permit; but, after they have done all in their power,

the hindrances and difficulties in the way of "clearing out" are very serious. The whole system needs a thorough revision, preparatory to the nation's acquirement of sufficient wisdom to abolish it altogether.

Another of those instances, which must recur as long as our present system of indirect taxation lasts, of mercantile servants being corrupted through the bounties offered by Government to the smuggler—corrupted to sacrifice the property of their employers, to expose shipowners and merchants to the most flagrant injustice and insolence from the official administrators of those arbitrary revenue laws, which set all justice, all constitutional law at defiance,—another of those instances which the Association may at present call public attention to is the following:—

A vessel of 84 tons, named the *Charlotte*, was despatched, August, 1848, from St. John, New Brunswick, timber laden, and to be sold at Liverpool. After her departure, the owners, respectable merchants and shipowners of New Brunswick, Messrs. G. and I. Salter, received information that the master and crew of the vessel had put into Eastport, in the United States, and there clandestinely taken on board a quantity of tobacco, much greater than their permitted allowance. They, therefore, in their letter of advice by mail steamer, which arrived in due course at Liverpool, informed the consignee of that fact, directing him to give information at the Custom-house, which he at once did. Had the vessel arrived, as expected, in Liverpool, the smuggled tobacco and smugglers would have been seized upon this information; but by stress of weather she was disabled, and driven to harbour upon the coast of Donegal, in Ireland, where the tobacco was discovered by the coast-guard, and the ship seized.

Doubtless the master and crew, after deceiving their owners by taking contraband tobacco on board, might have further deceived them by running into some harbour on the coast of Ireland to land the tobacco, although the insurance was effected on the passage to Liverpool direct. But there is this fact on the other side that they reached the harbour of Rutland, Donegal (within the revenue district of the port of Londonderry), with "loss of bulwarks, running gear, and sails," and at once applied to the local sub-agent of Lloyd's for assistance to get these replaced. But, in any case, the smuggling adventure was that of the master and crew, contrary alike to the orders and interest of the owners, whose policy of insurance the crew vitiated by running to Ireland, if they went there by design, and whose property, in any case, they placed in imminent jeopardy. As the result proved, they jeopardized and lost it. We shall see presently how the Board of Customs and the Lords of the Treasury dealt with the owners, after holding out the inducement of 600 or 700 per cent. on the cost of tobacco to the master and crew to be unfaithful to their employers. The consignee first memorialized the Board of Customs, setting forth the facts, as now briefly stated. After a time he found it necessary to memorialize the Lords of the Treasury, which memorial is here quoted at length:—

"TO THE RIGHT HONOURABLE THE LORDS COMMISSIONERS OF HER MAJESTY'S
TREASURY.

"The Memorial of John Star de Wolf, of Liverpool, Merchant and Shipowner,

"MOST HUMBLY SHOWETH,

"That your lordships' memorialist is the consignee at Liverpool for the vessels and timber cargoes of Messrs. G. and I. Salter, of St. John, New Brunswick; and that, in their advice of the 30th of August last, which reached by the mail steamer on the 15th of September, they advised him, amongst other things, that their [old] vessel, the *Charlotte*, had sailed the previous day direct for Liverpool. That same advice also apprized him that they, the owners of this small timber-laden vessel, had, since her sailing, heard that some of her crew had in her an unusually large supply of tobacco, and that they directed him to notify it in the proper official quarters here.

"That, conformably to this 'information' from her owners in St. John, memorialist's manager (and brother), Mr. James S. de Wolf, took the said advice forthwith to the collector of customs here, and lodged an extract of so much of said advice as related to said "information" on suspicion.

"That some time afterwards, as will appear by letter B, from Mr. Charles Sproule, sub-agent for Lloyd's in that district of the western coast of Ireland, it was notified to memorialist that the said vessel had just put into Rutland harbour, near Dungloe, partially disabled, with the loss of bulwarks, running gear, and sails; and that her captain had immediately applied to him, as Lloyd's sub-agent, to assist him in procuring requisite repairs and refittings; but he scarcely caused the orders to be issued, when there was tobacco found on board; and the coast-guard arrested both master and crew.

"That memorialist wrote off to Lloyd's sub-agent for further particulars as to the quan-

tity or supposed quantity of tobacco; to which he received the rejoinder G, by which it will be seen that the captain and crew were imprisoned forty-five miles (Irish) distant from that harbour; and that Lloyd's sub-agent could, consequently obtain no confidential communication from either master or sailors; but that he learned on the spot that eight boxes, of nearly a hundred weight each, had been detected among the cargo, while fifteen similar boxes which had been recovered had been thrown overboard; and two more boxes, it was said, remained to be recovered.

"That memorialist, therefore, applied to the Honourable Commissioners of Customs, setting forth all the prior details, and pleading that her owner's prompt "information" had been duly lodged here beforehand, and that her owners had solely destined and insured her to come to Liverpool *direct*; and that, as the storms just before raging on the west coast corroborated, nothing but dire necessity drove her into that harbour *to refit*, as she was trying to pass the north coast of Donegal, in order to run through the north-about channel out of the Atlantic; and that putting into there was evidently contrary to their original and fore-known destination, as evidenced by the crew in their terror, having actually sacrificed and thrown into the sea above two-thirds of their contraband tobacco, evidently showing that they knew they were being forced under the inevitable and unwelcome attentions of the coast-guard.

"That, considering all these facts; and further, first, that as she is not only a small vessel, 84 tons, but is also very old, being a twelve years' old schooner, and only of colonial build; second, inasmuch as the repairs she needed would, at an unfrequented place, in a remote part of Ireland, be very expensive; and third, inasmuch as, above all, the expense extra of hiring and conveying a fresh crew to navigate her thence to Liverpool would, doubtless, with the former expense, be upwards of a hundred pounds altogether; while before her damage as little as only a hundred and fifty pounds would have been accepted for this small vessel here by memorialist's house, under his 'powers to sell.' Memorialist prayed the Honourable Commissioners, on all these accounts, and with special reference to the 'information' so promptly transmitted from her owners, to grant her release on same without *fine*, as a fine would almost swallow up her saleable value.

"That the Honourable Commissioners have decided that they can only grant her release on a fine of three hundred pounds, or *double* her value before her late damage.

"That, seeing the real offenders are now suffering the just punishment of their daring crime, while, further, to totally confiscate the vessel of innocent owners is *anything but an inducement* for them to lodge such 'information,' and to co-operate with the customs' officials in putting down and punishing smuggling sailors, memorialist humbly prays your lordships will be pleased to grant that she may be released on a more proportionate fine, not exceeding twenty pounds, as anything more, added to the cost of repairs, and of sending a new crew to that remote harbour would leave no surplus for her owners, if sold here, and would render it preferable to *abandon her altogether*, merely claiming her timber cargo solely. And your lordships' memorialist, as in duty bound, will ever pray.'

The following vouchers and other papers were forwarded, proving the innocence of the well-known owners. A 1, their advice of "information," as to tobacco, with separate envelope:—A 2, their subsequent advice on an unseparated and post-marked sheet, to identify hand-writing, and to show their simple interest. B. First letter from Lloyd's agent, appraising of her putting in disabled. C. Further letters and particulars of same, sent at consignee's request. With these, and the foregoing memorial, were depositions by Mr. de Wolf, setting forth that he had been for six years sole consignee for Messrs. Salter's ships and cargoes; that no such case had occurred before; that he held a "power to sell" all their colonial-built vessels as they arrived in Liverpool; and that the Charlotte, being small, old, and of colonial build, would have been sold for £150; also that he conscientiously declared his belief that the owners knew nothing of the revenue fraud attempted by the crew. Also a deposition from his manager, Mr. James de Wolf, setting forth that he had duly, on receipt of advice as to the "information," communicated it to the Custom-house.

Next there was a letter from the Treasury acknowledging receipt of these vouchers, depositions, and the memorial, and intimating that a prosecution had been commenced against the owners in the Court of Exchequer.

Next there was a memorial from the consignee, praying that the prosecution in the Exchequer might be stayed until receipt of forthcoming evidence from the owners at St. John; that evidence arrived and was duly presented (with other vouchers to the Treasury)—namely, D. A further letter, post-marked, from owners, exculpatory, inclosing a solemn oath from the owners. E, and a certificate F, "from Mr. H. B. Smith, late collector, certifying that that experienced officer fully believed in the owner's perfect innocence."

Next, application was made from the consignee to the Board of Customs to in-

struct the officers at the port of Londonderry to deal with the cargo "in like manner as when a crew is shipwrecked, seeing the captain is in gaol, and seeing there is no legal disability on the cargo."

Next there was a memorial to the Lords of the Treasury, setting forth that the consignee, having sent an agent to the place where the ship was lying, he found that "he could do nothing at all with such a cargo at such a remote and unfrequented creek on the coast of Ireland," and earnestly praying to be allowed to fetch the vessel and cargo by a fresh crew to Liverpool, the port of destination; under charge of the coast guard, and at his, the consignee's, expense; he also urging that, should the vessel be eventually confiscated, her sale would realize more for the Crown in Liverpool than in that remote port.

Permission to do this was granted; but before the vessel could be taken to sea she required a temporary refit. This appears from the report of Mr. Richard Heard, inspecting customs' officer to the Comptroller-General of the Coast Guard, London. Mr. Heard specifies the repairs, without which she could not proceed to sea. The Treasury refused to interfere. Ultimately, the value of the vessel and the cargo was sunk, and to the owners totally lost.

Whether the owners had any ground on which to seek legal redress is not here a question; but they sought the return of the vouchers as necessary to them and useless to the Board of Customs; but these were refused. So that if there were legal grounds for redress, the proofs for the plaintiffs are in the hands of those who would be defendants. Those papers were placed there in confidential trust. The *Honourable* Board retain them under circumstances which, if imitated in private business, would cover a merchant with dishonour, and subject him to prosecution.

SECTION XXXI.

COST OF INDIRECT TAXATION.

Few persons have an adequate notion of the cost of collecting the revenue under the customs and excise. If curious enough to look into the finance accounts, they find it set down at some *seven or eight* per cent., which they think dear; yet conclude that it is better than facing a heavy income-tax, and, so concluding, trouble themselves no more about the matter. It is, nevertheless, believed by the Financial Reform Association as morally certain, and demonstrable in so far as items which are inevitably conjectural will admit, that *seven times seven per cent.* will hardly cover the *positive* cost, that cost being the difference between the net amount paid into the Exchequer, and the gross amount taken through or in consequence of this system from the tax-payers, while the *negative* loss to the community must be manifold more even than this monstrous per centage. Let us calculate.

The actual payment to officers of the customs and excise, coast-guard, &c., deducting the superannuations (which in *this case* are provided for by periodical payments out of salaries), is stated, in the finance accounts for the year ending the 5th January, 1850, to be £2,607,498 17s. 11½d., being equal to about 7½ per cent. upon the net payment into the Exchequer from both sources—namely, £34 622,284 9s. 2d., all paid to people who ought to be themselves *actively producing*, instead of merely hindering others.

To pay a direct tax costs nothing beyond the amount of the tax itself, and the simple collection of it. Even the Stamp Duty, much of its machinery cumbrous, is collected for about two per cent. With customs and excise the case is very different. Add together the salaries of clerks (amounting, in Liverpool alone, to several hundreds, each receiving from £60 to £120 per annum), whose whole time, or nearly, is occupied at the Excise-office and Custom-house—occupied where numbers have been led into debauchery and fraud, and utterly ruined; or the like money paid in lieu to the customs' brokers. Also, demurrage of ships, many of them worth to the owners £20 per day and upwards, detained for landing-waiters; or, when discharging, the people employed working little more than half the time they gladly would work, unless by *special permission*, and then at *extra cost*. Also add loss of markets for cargoes from the same cause, often a very serious damage and inconvenience to the merchant or owner. Also, dock room, provided at vast expense by mercantile communities; that dock room prevented, by customs' regu-

lations and interference, from doing much more than half the service it might and otherwise would do. Also, waste of labour in weighing and examining goods for the satisfaction of the revenue officers, without any benefit, but great trouble, loss of time, and often injury to the commodities; and, in connection with this, about a third of all the wages paid to porters on board, or attending ships discharging, or at bonded warehouses, where seldom more than seven hours' work are done in a day, though the men are paid for ten and a-half hours. These items are all difficult to ascertain accurately, but collectively must amount to a very heavy sum.

And it is, probably, no exaggeration to assume this cost of *paying* customs and excise duties to be five per cent. more, which, with the previous sum, makes 12½ per cent.!

The dealers' profits on the duties were explained in the tract on the tea duties, and estimated at twenty-five per cent., which, although at first sight it may appear a large allowance, the Association see no reason, on further reflection, to reduce. Indeed, if it be considered that two, three, and, in some cases, even four cumulative profits (with all the intervening risks and charges for bad debts, insurances, &c., on the paid duty and cumulative profits in process) are paid by the actual consumer; and if the per centage of profit necessary to the existence of the last retailer (whether in price or quality matters not) be taken into account, the candid inquirer will probably think the estimate within the mark. This, added, makes thirty-seven and a-half per cent.

The cost of prosecutions for smuggling and other breaches of revenue law; the maintenance in prison of those convicted, and the amount of penalties levied, the Association have no present means of ascertaining, but apprehend that the estimate of one per cent. will be found to fall short of the reality. They assume that sum, however, until better informed. It makes thirty-eight and a-half per cent.

But this burden of indirect taxation leads to another, or, at least, to a heavy augmentation of another tax, the rate for the relief of the poor. What proportion of this is incurred through the impossibility of even able-bodied men earning an independent living, because high duties have made trade unprofitable, have hindered production, have prohibited importation—compelling thousands of willing and skilful workmen “to sit enchanted in workhouses,” is, of course, impossible to be stated with accuracy. But if one-third of the sum which the poor-laws levy for the poor be set against this cause, it does not seem an unfair estimate. Indeed, the loss to society in relief to the poor by the paralysis of industry is probably more, were the private relief of friends to friends out of work taken into account; greatly more were the dissipation of savings, the discountenance to provident habits, reckoned in the estimate. But taking only the legal relief of the poor, and only one-third of that as due to the evil influence of indirect taxation, that third has been for England and Wales, during the last forty years, £2,508,897 per annum, there having been no legal relief in Ireland or Scotland until a recent period, during part of which extraordinary causes (as the potato failure in Ireland) have been in operation, and extraordinary sums advanced in aid of the rates; while, as in Scotland, relief is not granted to the able-bodied by law, though the able-bodied, unemployed, and their dependents, must exist at the cost of the industry of some one, the estimate is incomplete. The amount returned as levied for the “relief and maintenance of the poor,” in England, Wales, and Ireland, in the year ending the 25th of March, and in Scotland in the year ending 14th May, 1848, was £7,941,778. In this there is probably an excess of £1,000,000 above the average; yet as the excess was caused, so the official documents state, by “depression of trade,” and as the decrease of poor-rates is now said to be owing to the “revival of trade,” it is but fair to reckon the excess of the year, ending in the spring of 1848. Including it, the average is not likely to be under £6,750,000, which will give £2,250,000 as the proportion due to the operation of the laws which prohibit commercial enterprise, hinder or extinguish manufactures, repress industry, and force productive hands to become non-productive. Those two and a-quarter millions (about seven per cent. additional on the cost of the customs and excise duties), added to the previously-accumulated items, make forty-five and a-half per cent.

It thus appears that, while money is begging for employment, at two and a-half per cent. and under, we, the richest community in the world, are raising a revenue at the improvident discount of at least forty-five and a-half per cent.; a proceeding preposterous enough, but representing, as the Association conceive, only a small

proportion of the loss really suffered by the community at large from this frightful system.

Who, considering our unlimited stores of raw material, the incalculable powers of production and consumption in an industrious people, a large portion of them not half employed, and a still larger portion of those who are employed neither half-paid nor one fourth supplied with the ordinary comforts of civilization; and not forgetting the vast increase of consumption and production which has never yet failed to follow the removal of duties, will calculate for us the *negative* loss by the present system? the wealth never created? the goods unmanufactured? the ships never loaded, never built? the profits never made, the wages never earned, because customs and excise duties forbid the poor to consume those articles which foreigners or native manufacturers may have to sell, and thus forbid them to produce other articles which these foreigners or natives would so gladly take in exchange? Who can calculate for us this loss? If three-fourths of our population are denied the free use of tea, coffee, and sugar, or even of wine, spirits, and tobacco, the market for linens, woollens and cottons, for metals, hardware, and crockery, is lessened in the like proportion, which again destroys the farmer's market for beef and butter, cheese, vegetables, &c. There is less manufacturing, less production of all kinds, less traffic, less wealth, but not less population; hence more competition, lower profits, and lower wages, until the one vanishes in bankruptcy and the other in the workhouse.

Calculation is here altogether at fault. But the Association conceive it to be no extravagant assumption to say, that, with *perfect freedom* of industry, our gross production might be increased one-fifth in a very brief period; and, if this production amount at present, as is generally supposed, to five hundred millions yearly, it follows that every sum of 20s. paid by indirect taxation costs us nearly 10s. to collect and pay it; and, by prohibiting labour and exchange, £2 14s. in wealth, which is forbidden to be produced. We kill the goose which lays the golden eggs, and then wonder that competition should be severe, employment scarce, and wages low, and that misery, pauperism, and cheating should possess the land "in the length thereof, and in the breadth thereof." No portion of the expense of our naval and military establishments has been included in this calculation, though a very large per-centage might fairly have been added on that score. At least it seems difficult to imagine any decent excuse for keeping up armaments on the present preposterous scale, were our ports constantly open to all, and Englishmen and Frenchmen reciprocally bound over to keep the peace, in the perennial securities of unlimited commerce—of the daily mutual supply of each other's wants; while it is out of the range of conceivable probabilities that the propertied classes would tolerate the existing monstrous waste, were they required to contribute to its cost in fair proportion to their means.

PLANS OF DIRECT TAXATION REVIEWED.

SECTION I.

In this review of the most remarkable schemes for reforming or altering the revenue system, the Financial Reform Association beg to be understood as neither approving nor disapproving of the schemes, except where expression is clearly and explicitly given to their opinion. They begin by quoting the following maxims on taxation by Dr. Adam Smith:—

"Every tax ought to be so contrived as both to take out and keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the State. A tax may either take out or keep out of the pockets of the people a great deal more than it brings into the public treasury, in the four following ways:—

"First, the levying of it may require a great number of officers, whose salaries may eat up the greater part of the produce of the tax, and whose perquisites may impose another additional tax upon the people.

"Secondly, it may obstruct the industry of the people, and discourage them from applying to certain branches of business, which might give maintenance and employment to great multitudes. While it obliges the people to pay, it may thus diminish, or perhaps destroy, some of the funds which might enable them more easily to do so.

"Thirdly, by the forfeitures and other penalties which those unfortunate individuals incur

who attempt unsuccessfully to evade the tax, it may frequently ruin them, and thereby put an end to the benefit which the community might have received from the employment of their capitals. An injudicious tax offers a great temptation to smuggling. But the penalties of smuggling must rise in proportion to the temptation. The law, contrary to all the ordinary principles of justice, first creates the temptation, and then punishes those who yield to it; and it commonly enhances the punishment, too, in proportion to the circumstance which ought to alleviate it, the temptation to commit the crime.

"Fourthly, by subjecting the people to the frequent visits and the odious examination of the tax-gatherers, as it may expose them to much unnecessary trouble, vexation, and oppression; and though vexation is not, strictly speaking, expense, it is certainly equivalent to the expense at which every man would be willing to redeem himself from it.

"It is in some one or other of these different ways that taxes are frequently so much more burdensome to the people than they are beneficial to the Sovereign," (or government).—*Inquiry into the Wealth of Nations, Book V., chapter 11, part 11.*

Had Adam Smith been experienced in the practice of the Customs and Excise, he would (holding such general principles as the foregoing) have pronounced against all indirect taxation soever. His reasoning power was comprehensive; his practical knowledge was limited. The "*Inquiry into the Wealth of Nations*" was first printed in 1775; and, in the advertisement, the author says, "Whenever the present state of things is mentioned, it is to be understood of the state they were in either about that time or at some earlier period during the time I was employed in writing the book."

PLAN 1.—BY THOMAS PAINE. 1792.

The next writer who expounded old principles, or laid down new ones, on taxation, at least new ones so remarkable as to have attracted the world's attention, was Thomas Paine, in 1792. It was the misfortune of this writer, and the greater misfortune of those who became his followers, that with some truth he mingled much error; with a clear perception of sound commercial principles, he ran blindly and led others blindly into a mere political passion. His exposition of the old fallacy of the balance of trade was one of the most successful achievements of pamphleteering literature; while his new theory of taxation, in the same work, "*Rights of Man*," was one of the most unreasonable. Its leading principle was a compulsory division of landed property, by confiscating all estates, or compelling their division into smaller quantities, when they reached a rental of more than twenty-three thousand pounds per annum.

PLAN 2.—BY THOMAS FRY. 1797.

Mr. Thomas Fry, in 1797, published a *new system of finance*. It exposed the improvident waste of the taxes by the borrowing of a nominal capital at a positive rate of interest! the government of that day having taken £41 10s. 8d. for £100 of stock! Then he proceeded:—

"Now, for my new system of finance and compromise, though I think that some hundreds who stand in the list of creditors deserve a halter as the best recompense; but it is a pity that the innocent should suffer for the guilty. My views are to have the dreadful catastrophe avoided that hath attended a neighbouring nation, and secure the property of the widow and fatherless; to find the means of bringing the necessaries of life to the industrious part of the community on reasonable terms; * * * to establish public credit as firm as the Persian laws, which cannot alter," &c.

The plan was to take all the banking business and turnpike tolls into the hands of government. It was urged that about ten millions sterling might accrue in savings, of expenditure and profits on banking. As Mr. Fry seems to have had only an imperfect idea of taxation, as affecting industry,—of the distinction between expenditure, which is reproductive, and that which is not reproductive, we do not think it necessary to give the details of his *new system* here.

From that period, 1797, the era of suspended cash payments, to the present time, 1850, the various proposals for currency or financial reform have been sufficient to fill a volume with their title pages only. The projects contained in the various works have been few, and with the exception of that propounded by Mr. Montgomery Martin, have been mostly all repeated by new writers within the last three or four years.

PLAN 3.—BY MONTGOMERY MARTIN. 1833.

"A large revenue might be easily collected by extending the system of *licences* fairly; there is no inquisitorialness necessary; there would be little expense in collection, and a

tatesman of a comprehensive mind would know how to regulate the scale of taxation so as to make it press equally and lightly on all. If there are 100,000 millers, bakers, and pastry-cooks; 100,000 butchers, fishmongers, and poulterers; 100,000 chandlers; 100,000 greengrocers and fruiterers; 100,000 boot and shoemakers; 100,000 booksellers, printers, and stationers; 100,000 drapers and mercers; 100,000 surgeons and apothecaries; 100,000 carpenters, painters and glaziers; 100,000 dealers in iron, brass, tin, &c., in the United Kingdom, (which might be readily ascertained when it is seen that there are upwards of 130,000 tobacco sellers in the kingdom) a revenue of several millions sterling might cheaply be raised in substitution for the greater part of those taxes which now so heavily press on the working classes, and impede all improvement in several of the most essential branches of our national manufactures."

His plan is at least a curiosity. He would license bakers, millers, cornchandlers and confectioners, at an average of £3; butchers, salesmen, fishmongers, poulterers, and cook-shops, at £5; tailors, hatters, shoemakers and bonnet-makers, at £3. Farmers and graziers, one million of them, from £2 to £20 each. Merchants and manufacturers at from £20 to £30 each. Bishops, £150; baronets, £100; earls, viscounts, Irish and Scotch, peers, £200; dukes, marquises, and archbishops, £300; with a probate and legacy duty on real property. This scheme would be unworthy of notice did it not occur in a book which contains much valuable information, and many strong arguments bearing on the question of taxation as repressive of industry.

PLAN 4.—BY T. R. AND MR. BARBER, OF BOSTON, LINCOLNSHIRE. 1849.

One of the most recent schemes published is thus set down:—

2,000,000 persons paying, weekly, in lieu of all taxes, 6d. each produce	£2,600,000
1,000,000 ,, 1s. each.....	2,600,000
1,000,000 ,, 2s. 6d. each.....	6,500,000
800,000 ,, 5s. each.....	10,400,000
400,000 ,, 10s. each.....	10,400,000
200,000 ,, 15s. each.....	7,800,000
200,000 ,, 20s. each.....	10,400,000
<hr/>	<hr/>
5,600,000	£50,700,000

"That is," says T. R., the author of the scheme, in the *Lincolnshire Times*, "5,600,000 persons, out of a population of twenty-six or twenty-seven millions, would by contributions fairly adjusted, meet all the requirements of the State, leaving about twenty-one millions altogether free, with all the duties on the necessaries of life, and all other taxes, completely and for ever abolished."

Mr. Barber, of Boston, Lincolnshire, commenting on this scheme, says:—

"In addition to this scheme, I would recommend the Government not to exceed forty millions per annum in their expenditure; we should then have a surplus of £10,700,000 annually, to which I would add a tax on real property of the value of £500 a year and upwards, which, added to the surplus, I would appropriate to the liquidation of the national debt."

He proceeds to say that he would have all charities and tithes applied to the purposes originally intended, thus relieving the poor-rates; that he would give alms-houses to the aged and infirm, schools to children, and prisons (already built) to able-bodied paupers, refractory and too idle to work for their bread.

"This scheme," says he, "would, with the total repeal of the accursed Game-laws, in a few years, make England one of the most happy countries in the world. We should be relieved from the dead weight of the national debt; pauperism would be diminished; labourers and artisans would be contented and happy with moderate wages and plenty of food, at low prices, without taxation. All parties would be benefited; every interest would be sufficiently protected; there would be no longer a dispute which party had the ascendancy in the representation of the people, and every Englishman would be in the full enjoyment of free trade, which, I believe, Providence intended we should have," and so forth.

PLAN 5.—BY JOHN HAMPDEN, THE YOUNGER, DUBLIN. 1848.

The Association desire it to be understood that, condemning indirect and advocating direct taxation, they do not necessarily agree with every plan proposed for those purposes, far less with the fallacies occasionally introduced by writers who discuss those great questions. In a pamphlet by John Hampden, the Younger, published by M^r Glashan, Dublin, 1848, entitled "An Income-tax a Remedy for all Political and Social Abuses," there is a strange mingling of the true and absurd.

The absurd is, however, the same doctrine with which the *Times* favoured the world on the 29th of March, 1849, in *lamenting* that this Association had made so little progress! The doctrine that the rich man who spends £50,000 a year contributes as much to the revenue as 1,000 men spending £50 a year; and that if he employs those men by his expenditure, he pays their taxes for them!

PLAN 6.—BY MR. RIGBY WASON. 1849.

Mr. Rigby Wason, in a "Budget for the Million," adduces some pithy arguments why taxes—at least, those required for the interest or discharge of the national debt—should be paid by the owners of property. He does not think it necessary, neither do this Association, to prove that the men employed (non-productively and unprofitably though they be) by the expenditure of the rich man's £50,000 a year are paying their own taxes by their time or their labour. He asks, "For what purpose was the national debt incurred?" and replies, "I do not ask the question with the intention of telling you that if it was borrowed for an unjust purpose, it ought not to be paid; for it is a dishonest act not to pay a debt which has been incurred, merely because the money has been improperly spent. Neither will I take the answer from those who were always opposed to borrowing the money, and who said it was a mean trick of a boroughmongering oligarchy to prevent the spread of reform principles in this country.

"No; I will take the answer of those who proposed that the money should be borrowed. It was this: 'That the money was borrowed to carry on a war on the Continent, which was the best means of preventing an invasion of this country.' Am I not correct in saying that this was the answer given by those who borrowed the money at the time they borrowed it? And this, you will remember, was repeatedly said, not by obscure persons in low places, but in both Houses of Parliament—from the throne and from the national church. There can be then no honest doubt who borrowed the money and for what purpose it was borrowed.

"And the desired end was obtained—the country was not invaded; and the next question comes—who should pay the expenses that were incurred? The answer which every honest man, whether peer or peasant, would give, must be—'Those who reaped the benefit from the successful effort to prevent the invasion.'

"And who did reap the benefit? the industrious portion of the people, the skilled artisan, the agricultural labourer, or the bricklayer's hodman? Will any oligarch, or the servile press, point out what would be the difference to these parties were Louis Napoleon now King of England, having succeeded to his father? Would their daily toil be more severe? their pay less? their homes less comfortable? their families worse clothed and fed? Truth replies, it would be impossible! Would the professional man who alleviates the sickness of a French peer receive a less reward than he does for attending an English baron? Would those who, by their mental toil, now add to their comfort and happiness, or alleviate the sorrows of English society, be less richly rewarded if their powers were exerted with a foreigner on the throne? Again truth replies, No.

"Turn, then, to the owners of property of every description, and let truth say what would have been their lot had the efforts to prevent invasion been unsuccessful? Look at their position in classes—whether landowners, fundholders, owners of houses or manufactories, or of any other description of property. A French Marshal might have found Tamworth a comfortable residence, and its rent roll a convenient reward for his exertions in conquering the country. The fundholder could not have expected any other return for having done all in his power to prevent the success of the invader than the sponge; he played his game, lost it, and must bear the consequences. The owners of all property would have been subject to forced contributions, rapine and confiscation. A Davoust in London, Liverpool, Manchester, or Bristol, Edinburgh, Glasgow, or Dublin, would have committed precisely the same acts which Davoust did at Hamburg. For whose benefit was it, then, that the invasion of the country was successfully resisted; 'For the owners of property,' will be the answer of every honest man; and who but a dishonest one will say that they ought not to pay the expense of their successful efforts?"

This argument, however, is not conclusive. Stability of government, the absence of conspiracies to overturn it, the absence of restrictions on the liberty of speech and the press, the comparative absence of garrisons in every town and village, and of spies, to overawe and detect or foment conspiracies, are all favourable to the exercise of industry and the comfort of others as well as the owners of property. An invasion, a confiscation of property, and a government of foreigners sitting at Whitehall, would have covered this country with rebellion, despotism, and the wreck of industry. All classes of the people have a privilege to pay for, so far as the national debt really did

revent invasion. Still there seems to be truth and force in Mr. Rigby Wason's argument, and his proposition for paying off the national debt may be cited hereafter with those of other writers.

PLAN 7.—BY MR. SAMUEL COBHAM, LONDON. 1845 and 1848.

In 1845 Mr. Samuel Cobham, of Newgate-street, London, published some letters advocating the abolition of all indirect taxes, and the substitution of an income-tax. He republished them in 1848. As he holds a property-tax to be unjust, the association think his reasons for that opinion are worthy of public consideration, specially in connection with Mr. Rigby Wason's reasons for a property-tax, last quoted, and the distinction drawn between an income from real property, and another from a profession, as done by R. S. B., to be quoted after Mr. Samuel Cobham. He says:—

"The mode (of raising the revenue) about to be proposed is such that, while it would entirely change the present system of taxation, it would tend also to increase considerably the means of the people at large; and at the same time provide for the government probably a larger amount of revenue than they now receive, and would also enormously increase the trade of the country; for it would relieve the manufacturers and the commerce, the trade, the industry, and the skill of the people of this country of every impediment and burden that now so heavily bear them down, and by which they are retarded to a degree that is hardly to be conceived or to be believed."

His plan is an income-tax. He proceeds:—

"But it must have both the assent and the active support of the people at large. Hitherto, unfortunately for the people themselves, so blind or inconsiderate, or so prejudiced, have they been, that they have been led to oppose the little which has already been done by the Peel government in the matter, which is not much to be wondered at when it is recollected that even the liberal part of the press have deluded and then urged the people on to such improper and foolish opposition," &c.

A leading cause of opposition to the Peel income-tax was its inequality. Mr. Cobham does not think that incomes from realized and well-secured property should be more highly rated for taxation than incomes from precarious industry. His plan of income-tax is, however, worth a studious perusal. He says:—

"The population of the United Kingdom at the present moment is nearly, if not quite, twenty-nine millions of persons. The number of persons who are charged with the income-tax is certainly less than half a million of persons. Thus only *one* out of every *fifty-eight* persons is charged with the income-tax.

"The rate of the income tax is sevenpence in the pound. Last year it produced £5,191,600; the income on which it was assessed amounted to £178,000,000, which was thus proved to be the income of less than half a million persons.

"There are no means at present of knowing what the income of the kingdom really may amount to; therefore, approaches can only be made; but it is proved, as just stated, that half a million of persons, or even less, have an income of £178,000,000, which would make the average income of each £356 a year, or about a sovereign a day, as the income of those who now pay the income-tax.

"Now, as half a million of persons have an income of £178,000,000 a year, it cannot well be considered an over-estimate to conclude twenty-eight and a-half millions of persons have an income of £422,000,000—that is, that fifty-seven times as many people, instead of having fifty-seven times as much income, have considerably less than three times as much. That estimate would make the income of each average less than £15 a year, or not quite twopence a day, to provide each of them with food, drink, clothing, lodging, schooling, and every other thing. And yet, out of that miserable pittance of twopence a day, at least threepence is insidiously taken by the government, and by the contraband dealer, or robber, as he should be called, through the present system of taxation and Corn-laws. Ay, the system now commended to you, instead of threepence, about threefarthings would be taken out of the twopence, which is too much, but which this system (of direct taxation) would soon cause to be lessened.

"Well, then, taking this estimate, the income of the United Kingdom is £600,000,000. Now, if this £600,000,000 were taxed at the rate of eight and one-third per cent., which is equal to one penny in the shilling, it would produce to the government £50,000,000 a year, which is more than they require, and as much, or more, than they now get from all their other sources of taxation. And thus, by this plan, the government would be enabled to abolish all the other taxes of every sort that they now are obliged to levy.

"If you now take into consideration the great reduction that would be made in the price of all such commodities as bread (the Corn-law being still in force when this was written; the foretelling of cheapness, so far as bread is concerned, is proved, now, in

1850 when we transcribe it), butter, tea, sugar, meat, beer, tobacco, &c.—indeed, of everything that can be named—if the Customs and Excise and Stamp Duties were abolished as now proposed, with your Corn-laws repealed, you will immediately see that the government would not require anything like the sum they now require for the victualling, clothing, &c. &c., of the army and navy, and for the other departments of the State. The materials required for the dockyards, the ordnance, &c., would also be so much reduced in price, that considerably less money would be required than is now necessary. The government, even on their present extravagant system, would then not need more than 45 millions, which would reduce the rate of the income-tax to about £7½ per cent, or 1s. 6d. in the pound. And as the whole revenue of the country would be raised from one source, so there would be but one collection, thus reducing the expense of collection to a fraction of the present cost.”

Mr. Cobham then proceeds to contend that the wealth of the nation would increase in a greater ratio than it now does :—

“This increasing wealth of the country—consequently of its income—would therefore enable the government to reduce the rate of the income-tax every year, as well as from the smaller amount of money which would be required by them through the cheapening of commodities, and from the curtailment of extravagant expenditure, *which curtailment would then be enforced upon them.* Every one, under the proposed system, *would know exactly how much the government cost him.* And if the noble and the rich thought that the government was too expensive for them, so would they be among the first to compel the government to reduce its expenditure; and as they would pay more for its extravagance and recklessness than others, so there would be very strong reason for hoping and believing that their pugnacious and warlike desires would thereby be restrained; and that then they would not be in a hurry to go to war, for if they did the cost of the glory would fall the heaviest on themselves; not that they would pay one farthing more proportionally than the poorest person (the mite of the poorest being indeed a greater sacrifice from him than the mass is from the rich man), but because of the very large incomes of the rich, so would they have to pay on so many the more pounds. * * * Depend upon it, that then they would neither suffer nor sanction the shameful extravagance that they now do.

“Now, if the people will agree to, and will demand this system of taxation, which would remove an incalculable amount of evils and of loss inflicted by the present system, then, beyond all doubt, it will be adopted by the government, and eventually by the world. * * *

“In respect of the collection of this tax, it would, no doubt, in some cases, be more convenient that employers should pay it for their workmen, the master to deduct from the wages the amount that had been paid on the workman’s account, which the workman ought to, and no doubt would, pay cheerfully. For, supposing him to receive 30s. a week, the deduction for this tax would be not quite 2s. 6d.; he would, therefore, receive 27s. 6d. And now let him inquire of himself how much more that 27s. 6d. would then purchase beyond what the 30s. does under the present system; for with perfectly free-trade, and with all other taxes abolished, as would be the case under the new system, his loaf would cost about 4d. or 5d., instead of 8d. or 10d.; meat, instead of being 8d. and 9d., would be 4d. per pound; tea would be about 1s. and 1s. 6d., instead of 4s. and 6s. per pound; sugar would be 1½d. and 3d. per pound; and so would be the price of many other things in the same diminished proportion. Indeed, there is every reason to believe that the 27s. 6d. would then purchase as much as 40s. would now; he would, therefore, be the gainer to the extent of several shillings a week. And the man who has 10s. a week would, after paying his 10d. tax, be able, with the 9s. 2d. left, to purchase therewith as much probably as he could now purchase for 15s. Surely, then, the industrious classes ought to demand such a system, as it would be peculiarly beneficial to them, and to all persons of small incomes. Self-interest and justice alike call upon the people to submit to this system of *direct* taxation; for it can hardly be expected that the rich will consent to such a system if the millions object to it. If nobody below an income of £150 were to be taxed, then the tax must be raised to £30 per cent.; and to suppose that those above £100 would consent to that, much less that they would propose it, is entirely beyond the range of probability.

“Depend upon it, this matter can only be accomplished by the people consenting to bear their *fair share*, which consists in their paying the *same rate* as the rich; by the people demanding, and by actively supporting *any* administration which may have wisdom and virtue enough to propose it.”

Mr. Cobham proceeds to remark on the folly of people looking upon smuggling, upon customs and excise frauds, as only losses to their governments. The Government, he truly says, loses nothing; they levy more taxes to make up the deficiency.

His reasons for exempting real property from paying a higher rate of taxation than precarious incomes are founded on mistakes as to reproductive and non-pro-

ductive capital, which the Association have already dealt with under the head 'Burdens on land.'

PLAN 8.—By R. S. B. 1848.

The following arguments, from "Two Letters to a Member of Parliament, containing suggestions for a Property-tax upon an improved basis, by R. S. B.," bear forcibly on that part of the question where Mr. Cobham apparently fails. "The writer, who has most strongly denounced taxes upon property," says R. S. B., "is Mr. M'Culloch; but the reasons which he assigns do not appear to add very much to the weight of his authority. He tells us, indeed, that men will not undergo the toil necessary to the acquisition of wealth, and to which they are now willing to submit, if they live in the anticipation of being hereafter taxed in proportion to the property they may accumulate. One might suppose that the apprehended tax were likely to be so large as to swallow up, if not some portion of the realized capital itself, at least a very considerable part of the revenue to be derived from it, and that it would be an addition to, instead of a mere commutation of, existing taxes. Mr. M'Culloch seems scarcely to remember that the existing Income-tax, which he considers to be less objectionable than any property-tax, really forms a deduction of three per cent. from those very savings which constitute capital; so that a man who pays the tax in full—and such a man, after all, is the most likely to accumulate a fortune—must, before he can retire from business, even with the advantage of a rapid course of prosperity, have paid at least, including interest, five or six per cent. upon his capital in the shape of Income-tax.

"It has been represented that a cotton mill, for example, may be of the value of £20,000, and yet that it may yield no revenue whatever to the proprietor, who ought not, therefore, in any manner to be held liable to a tax in respect of it. To this I reply that the productiveness or non-productiveness of any property depends on the will of the owner; that, in the case supposed, the property might be sold for £20,000 (otherwise it is not worth that sum), and the proceeds applied to the purchase of land, or of stock, or of any other description of property; the owner refrains from effecting such sale, only because he thinks that there is reason to believe that his property will, after compensating him for the loss which he may sustain while it may remain unproductive, yield him a better return than he would be likely to obtain if he were to sell it and to invest the proceeds in some other manner. So long as it yields him no revenue, it is of the nature of reversionary property, and on such property legacy duty is paid every day at Somerset-house. I will venture to say that it never entered the head of any man to claim exemption from the window-tax or the poor-rates, on the ground that he had been obliged to carry on his business without profit. How, then, if the window-tax were repealed, and a tax on property substituted for it, would there arise any reasonable claim to exemption upon such a ground? No prudent man regulates his private expenditure with reference to the extraordinary gains or the extraordinary losses of any particular year, but rather with regard to what he is able to afford on an average of years; and nothing could be more fair than that every man's share of the *public* expenditure should be regulated upon the same principle in like manner. * * * * *

When we are told, upon the high authority of Sir Robert Peel, that to levy a smaller sum upon an income derived from professional exertions than is levied upon the same amount of income derived from landed or funded property is 'to make an invidious and unjust distinction,' and that no principle can be 'more free from objection than the principle of taxing all incomes alike,' it becomes necessary to call in the aid of arithmetic, and to examine whether the principle that all income should be taxed in proportion to the real value of the property from which it may arise, and not according to its own nominal amount, be, or be not, the more equitable principle of the two. Let us take, then, the case put by Lord John Russell:—Two persons have each an income of £500 per annum; the one is derived from a life annuity, the other from a freehold estate. Lord John Russell tells us that the State finds those two persons in a certain relative position, that it imposes a tax of three per cent. upon each, and leaves them in the same relative position without inquiring into their circumstances, which the State, he thinks, ought not to do.

"We will admit that it is quite enough that the State should leave these two parties to stand in the same position in respect to each other in which they stood prior to the imposition of the tax; but let us ascertain whether or not it be the fact that it does so leave them. If A, the freeholder, would have been able, prior to the imposition of the tax, to spend £500 per annum, and to leave property to the value of £14,000 to his heirs, and B, the annuitant, would have been able to spend, after paying life insurance, £250 per annum, and to leave property of the value of £7,000 to his heirs, it is clear that both the property and the available income of A, were exactly double those of B. But will

they stand in the same proportion after the State shall have taken three per cent. from the nominal income of each? Does £485 bear no higher proportion to £235 than £500 to £250? The truth is, that the State has taken three per cent. from the freeholder, and six per cent. from the annuitant."

R. S. B. proceeds to show the difference is the same, though neither of them leave any property to their heirs, but spend the whole. But we cannot follow his reasoning further at present. Had his last question been put in this form, "Does £15 (the tax) bear the same proportion to £250 that it does to £500?" his argument, that it is six per cent. on the first amount and three per cent. upon the latter, would have been clearer.

PLAN 9.—ANONYMOUS, LONDON. 1848.

The next plan of direct taxation which the Association deem worthy of studious consideration is one entitled "A Budget of Two Taxes only"—(author's name known, but not publicly announced: the "Budget" published by Eftingham Wilson, London, 1848.) The writer opens his plan by a statement of the income and expenditure of 1847, which was, in the gross, thus—

Income.....	£57,762,000
Expenses of collection, and post-office, &c.....	3,945,000

Leaving a net sum applicable to expenditure of..... £53,817,000

"It will be seen," says he, "from the above statement, that of this immense revenue nearly £4,000,000 is expended in collection and management, whilst £44,000,000 is levied upon the *industry* of the country, and would, but for this enormous drain, be expended on reproductive employment."

The actual cost and loss to the country of collecting the revenue is far beyond; it is several times the amount of £4,000,000, as the Association have in part proved, and will more distinctly show before closing the present series of sections on taxation. But, taking the figures as set down in the public accounts, and as quoted in the "Budget of Two Taxes only," now before them, they proceed to examine the plan of reform proposed in that "Budget." The writer, in his introductory remarks, says:—

"It is quite evident to every man who thinks for himself, who possesses any reliance on his own convictions, and who, having this faith in his own common sense, is not wholly the slave of his position and preconceived ideas, that a system like this, so monstrous in its extent, and so fearful in its consequences, would never have been endured by any other people—by *any* people not deceived into the belief that they had a voice in their own government, and who, under the name of a free people, have been plundered and oppressed into the veriest slaves under the sun."

The writer continues to dilate on the ignorance of the legislature; but it should not be overlooked that the legislature, on all questions of reform, has hitherto only reluctantly followed the course of public opinion. The difficulty to be overcome by this Association—indeed, the purpose of its existence—is to educate the public to understand their own pecuniary and industrial interests. When this Association succeed in educating the national mind to a correct knowledge of the principles which govern the production and diffusion of national wealth, the legislature will be educated also. The writer says:—

"The plan here submitted consists in the abolition of the whole of the taxes known as, Customs and Excise, together with the assessed taxes and all local taxation, such as poor-rates, repair of roads, church and county-rates, and to raise the supplies necessary for the national wants by the simple machinery now applied to the collection of the stamp-tax—which, as being easy of collection, the least oppressive, and the least felt, would remain as at present, merely extending the legacy-duty to all property, and equalizing it at ten per cents. This alteration would equalize the amount at present deducted from one class of legatees, and extend its application to a class now most unfairly and unjustly exempted from its operation by their own class legislature.

"The effect of this simple, comprehensive, and most equitable extension would be to relieve the commerce and energies of the country from the fetters which an ignorant legislature has so long imposed upon it, to open the dungeon to imprisoned commerce, to make this country a *free port*. No more would a ship arriving in our harbours be visited by a suspicious *douanier*, no more would every difficulty and delay be imposed on that commerce which has latterly become an enormous necessity; thenceforward, the productions of every clime would be interchanged in our marts without let or hindrance. The imports

would double in the second year, and the rewards of labour would be greatly increased, both a actual remuneration and in cheaper living. This tax would produce, at the very least, £24,000,000. The tax upon property, fixed at ten per cent., and the tax upon income at five per cent., upon *all* property and upon *every* income, would be most just, as all would benefit: the rich equally, though in a different manner, with the less affluent. This tax would likewise produce, at the least, £24,000,000, the value of the property of the United Kingdom being estimated at £5,000,000,000.

"The vast benefit arising from the abolition of the customs, excise, and assessed taxes, the relief from expense of collection (the collectors, with their families, exceeding one million persons, becoming producers instead of mere consumers, adding to instead of diminishing the national wealth), and the stimulus to healthy and profitable interchange would, even in a pecuniary sense, be cheaply purchased at a cost treble that proposed to be levied on property and income; whilst, as a contribution or insurance for peaceable enjoyment, it would be accepted with enthusiasm by all those now viewing with fear and dismay the rapid progress of thought and intelligence amongst the hitherto patient and unresisting masses, whom they are conscious of having so long misgoverned.

"An ample fund for the compensation of the persons now employed in the collection of the customs, excise, and assessed taxes would be realized by the sale of the lands, buildings, and vessels appropriated to that service. The officers of the coast guard and preventive service might either be drafted into the naval service, or form the nucleus of a most efficient body for coast defences, if that should be found necessary.

"Taking it as at present (1848) at fifty-one millions, which, by judicious reductions, may with ease and without the slightest disturbance, or impairing the efficiency of needful services, be reduced to forty millions, with eight millions for the support of efficient institutions for education and employment" (what employment?) "due by the state to the people, and for the maintenance of a more perfect system of roads, repairs of edifices devoted to public instruction, and to other local expenditure, we have a grand total of £48,000,000, leaving the public debt untouched."

The writer, after again stating that direct taxation is in perfect harmony "with that true political economy which regards all taxes as injurious which tend to fetter reproduction, to lessen beneficial employment, and to restrict trade and commerce," asserts the simplicity of his plan, and says of its cheapness:—

"It is the most economical, as the whole expense of collecting the stamp-tax, which at present (1848) produces £7,675,000, amounts to £153,000 only—the expense of collecting the income-tax does not now exceed £65,000; and hereafter, when the machinery for collecting the stamp duties is somewhat extended, so as to embrace the property and income-tax, it need not exceed £200,000 in the whole."

He proceeds to illustrate the benefits to the capitalist with £10,000 a year from property, and the middle-class man with £500 a year of income.

"In the first instance," he says, "we find a man who now contributes £300 yearly as income-tax, and he would under the proposed plan pay £1000, being an increase of £700; or, deducting local taxation of £300 (equivalent to fully £400) in the form of direct payment. Now, to say nothing of the increased value given to the property of this class, the perfect security guaranteed by this contribution would be cheaply purchased at a much greater sum, whilst the diminution in his expenditure could not be less than £900 a year. The money saving—the least of all—would exceed £600.

In the second instance, "the man with £500 income would pay £25, in place of £15 as now, and increase of £10; whilst in addition to the certainty of a *great increase* in his income, he would *save* £50 at least, thus benefiting himself by £40 a year." This plan also embraces the proposal that the surplus of the Post-office, after providing for the conveyance of letters and *books*, (it should be all printed publications soever,) the surplus, probably, £500,000, and the proceeds of licences, which for liquors, he thinks may be increased to the amount of their cost, saved by abolition of excise, that revenue, probably £500,000, and the produce of crown lands £1,000,000, he proposes that those sums, £2,000,000, should be "dedicated" chiefly to that highest of all duties of a state, the elevation of the moral character and condition of its population," in other words, to education. Further, he calculates that the falling in of Long Annuities, Annuities for terms of years, &c., which expire in about eleven years from that time, (in 1859-60,) and the increase of revenue when that period arrives will be so considerable, that a very material reduction might be made on the rate of taxation. Also, that the establishment of a national bank, for the issue of national notes, would, likewise, render available a further sum of £200,000 annually in aid of public instruction, "enabling the nation to devote

£4,000,000 to that highest of all the functions of a state." He concludes by stating that his plan is addressed to "that class who desire to be relieved from the excise, on the ground of the frightful frauds, perjuries, and immoralities which it engenders." Of those "frightful frauds, perjuries, and immoralities," he gives no evidence; but this Association has supplied that evidence abundantly in their preceding tracts.

PLAN 10.—BY JOHN MATSON, LONDON 1849.

Next comes under review a "A New Budget for Lord John Russell," by John Matson, Secretary to the Metropolitan Financial Reform Association. It is explained that this pamphlet is only to be taken as "the opinion of the individual by whom it is written, and not of the Association named."

Mr. Matson's plan is one which embraces, like the one last noticed, and also, like that of Mr. Cobham, all local taxes; but, unlike these, this does not comprise the abolition of all Customs and Excise duties. To retain a part of those duties is to retain the most vicious parts of the present system: a coast guard, a revenue police, spies, informers, frauds, perjuries, obstructions to trade, and the extravagant costliness of those collectors of revenue; and for what would Mr. Matson preserve them? To collect the spirit duties, the wine duties, and half of the tobacco duty. This Association have already shown good cause why, on the ground of morality, those duties should not exist; and as no reason is given in the present instance for their preservation, further than by implication that they would restrict the consumption of intoxicating liquors, it is not deemed requisite to go into argument to their condemnation at present. Mr. Matson proposes a property-tax of 4s. in the pound, which is intended to obviate all poor and other local rates. He informs us that, twenty-one years ago, he addressed the Duke of Wellington, then Premier, on the subject; the year following, the Parliament; and then the Prime Minister, Earl Grey; that on the latter occasion Lord Brougham was reported to have said, "A property-tax would cause property to leave the country." "But," says the writer, "how the land, the houses, the docks, the canals, the railways, the funds, &c., were to leave the country, he never yet showed us."

The plan of this gentleman being alike deficient in completeness and in explanatory details, this Association pass to others.

As they proceed, there is a pamphlet deserving of notice and perusal, entitled "An Address to the Electors and Non-electors of the United Kingdom, by William Williams, Esq. (late M.P. for Coventry)," published 1849. In this the inequality of present taxation, the improvident expenditure, and the corruption of some parts of the present political system, are forcibly exposed. Mr. Williams writes in the name of the "National Reform Association." Unjustifiable as sinecures and useless places are, improvident as is the expenditure of several millions of the public money, the evil of these, to which he confines himself, bears but a small weight in comparison with the crushing oppression to commerce and industry of our customs and excise systems. Any reform which does not comprise the abrogation of these, and the complete freedom of commerce and all industry, is hardly worthy the name of financial reform. Therefore, it seems discreet in Mr. Williams, and those gentlemen associated with him, who attach more importance to other changes than those which would make Britain a free port to all the world, to drop the name of financial reformers, as they now do—leaving the name, as they have left the performance of the work, to this Association, with whom the movement to abolish the customs and excise originated.

(To be continued.)

FINANCIAL REFORM TRACTS.

No. 27.

PLANS FOR DIRECT TAXATION REVIEWED.

(Continued from No. 26.)

PLAN XI.

BY MR. JAMES WHYTE, JUNIOR, PAISLEY, 1848.

Mr. James Whyte, of Paisley, suggested (December, 1848) that, in substituting for the " multifarious and iniquitous indirect taxes one general tax, fairly levied on property and income, perhaps the mode that prevails in many parishes in Scotland, in assessing the poor-rate, would be a desirable plan." He stated this to be one-half on the proprietor and the other half on the occupier. And continued:—

" In following up this idea, the first matter to ascertain will be, what would be the per centage required to raise a sufficient revenue to meet the interest of the debt, and the proper expenses of Government. The produce of the present income-tax may afford some data to guide the calculations. If less than three per cent., notwithstanding the numerous exemptions (Ireland wholly exempt), yields about six millions, twenty per cent., without any such exemptions, should produce at the least eight times as much, or about forty-eight millions, a sum which, in the eyes of Financial Reformers, should be sufficient for all legitimate wants, and leave a surplus to redeem our debt.

" Well, supposing ten per cent. of this levied from the rental of all real property, including, of course, the national debt (income from the funds), and the other ten per cent. levied on the rental of all occupiers, this would yield the above ample revenue, and enable us to get rid of all the present taxes together.

" As the poorer proprietors and occupiers would get by far the greatest relief by the abolition of the present imposts, there need be no exemption to any class or individual in the land who are out of the pale of absolute pauperism. The poor man paying a few pounds of rent would be an immense gainer, and even those whose rents might not exceed £400 or £500 per annum would be no losers. The burden would, unquestionably, rest in a proper proportion on those masses of wealth which, by one means or another, have hitherto escaped contributing their fair proportion.

" Though this scheme might seem to throw a new burden on property, which in many localities is heavily burdened for other purposes, yet it will be readily perceived that it would not be wholly a new burden. It would be relieved of the present income-tax, and likewise the burdensome expense of stamps and the transfer of property, and a beginning would be made to have the present absurd and expensive system of transferring property reasonably improved. No excuse, arising from the exigencies of the State, would exist for such ruinous bills of costs being exacted from any poor wight when his necessities compel him to turn his houses and lands into hard cash.

" Much more might be said in favour of such a plan, and perhaps there may be something to say against it. In any form our load is heavy. But if we wish to retain the character of an honest nation, we must make up our minds to bear our burdens in an open and honest manner. It seems to me that by our present system we appear to attempt, and succeed in, cheating ourselves.

" I would further notice, though not within the sphere of the objects of our association (that of Paisley), that the lower classes of our people generally, and a powerful party of the middle classes, being desirous of having the parliamentary suffrage extended, that such a simple tax would form an excellent basis for conferring the right of voting, and the non-payment would form a test for excluding the worthless."

PLAN XII.

BY Z., OF HARROGATE, 1848.

In a pamphlet published by Effingham Wilson, 1848, entitled the "End in View," comprising papers by the same writer on "Revolution in Taxation," and "Revolution in Representation," 1846 and 1847, the all-important truth is urged with much force and logical argument, that to have real free-trade, it is not enough to have only free-trade in corn. In his paper of 1846, signed "A Protectionist, or a Real Free-Trader, he lays down the following dicta :—

"Consolidate all taxes into a property and income tax. Land and labour produce everything. Supply and demand regulate prices. Taxes are paid out of the proceeds of land and labour. Land is a fixed capital; labour is a fluctuating capital. Land and labour combined produce the capital required to carry out the very extensive commercial operations in which this country is engaged. Land cannot be increased, but its cultivation may be considerably improved. Labour may be increased to any extent. The surplus labour of this country on the raw material exported into other countries is the source of that immense flow of wealth into this country, which is increasing annually. In order to make labour less expensive and more profitable, consolidate the taxes into property and income tax.

"The consequence would be a reduction in the price of both the necessaries and luxuries of life; a very considerable reduction in the annual expenditure of the country, in the amount of salaries, civil, military, and naval; also the abolition of various offices, such as commissioners of excise, customs, and stamps; also all offices connected with them, such as custom-house officers, excisemen, surveyors of taxes, and tax-gatherers.

"As there would be no duties, smuggling would cease, and a coast-guard would not be required.

"The interest on the national debt might justly be reduced, in consequence of the very great reduction in the price of the necessaries and luxuries of life, from three to two per cent.

"All persons would be allowed to grow or make what they please.

"The poor man would purchase his beer, tobacco, tea, coffee, sugar, and wearing apparel at a very considerable reduction in price, which would enable him to reduce the price of his labour."

To this last the Association demur, so far as it infers that it would be necessary or possible to reduce the price (wages) of labour under such circumstances. Not only would labour increase in value compared with the decreased prices of subsistence, but the greater value of capital (free of action and secure against waste) would also add to the value of labour, by calling it into demand, and increasing its money price. The writer proceeds :—

"The employer pays for the labour out of the increased value of the raw material produced by the labourer. The surplus value above the cost of the raw material and the labour is the profit upon which the income-tax must be paid.

"The merchant, the wholesale and retail dealers, &c., obtain their profits by commissions and sale of the articles produced by labour, on which they must pay the income-tax.

"Landowners will be enabled to purchase the necessaries and luxuries of life at such a considerable reduction in price as to leave a very large amount for the property-tax

"The poor man would be exempt from taxation.

"The rich man would have considerably less to pay than at present, in consequence of the great reduction in expenditure of the country. * * * An example will be set to all the nations of the earth, who must, of necessity, in time, be obliged to adopt similar measures, which will produce that friendly feeling and social intercourse which ought to exist throughout the whole world."

Next he proposes, as a corollary to the foregoing :—

"1. That all persons twenty-one years of age, paying property or income-tax, be allowed to vote.

"2. That the amount of a person's income should be calculated on annual and not weekly income.

"3. That the tax on property and income shall commence at £60 per annum.

"4. That electors should be entitled to from one to ten votes, in proportion to the amount paid as property or income tax, the scale of number of votes to be regulated by the act.

"5. That females paying property or income tax be allowed to vote in the same proportion as above.

"6. That proof of qualification to vote shall be the production of the receipt of the last amount due in property or income tax paid by the voter; all the minor details to be regulated by the act."

The Association may once more observe here, that they do not put forth these plans as theirs; they give them as the result of inquiring and reflective minds, who, unknown to one another, have from one starting point, in condemnation of the present system, set out to gain one end—simplicity, freedom of industry, the greatest profit to the least expenditure of capital. The writer under notice unfolds his plan farther, thus:—

"Our home is, in a great measure, dependant on our foreign trade; the whole of our surplus labour and produce which is exported is a clear profit to the country, and exceeds the whole expenditure of Government."

(He is writing in 1846.)

"Exports, 1845	£60,111,082
Deduct price of raw materials imported and paid for	10,000,000
	<hr/>
Clear gain to the country	£50,111,082
Imports, 1845, being repayment of exports	85,281,958
Expenditure of the country, including interest on National Debt	49,242,713
Income	53,060,353
	<hr/>
Surplus over expenditure	£3,817,640
Amount of income-tax for 1845, at 3 per cent on £150 and upwards	£5,026,570

"If by taking off all taxes the price of the necessaries and luxuries of life are reduced at least one-third of the present prices, it will be clear that private expenditure will be so reduced as to enable the public to pay out of their annual income from property and trade a sufficient amount for the annual expenditure of the country; and the reduction in the expenditure of the country will require only *two-thirds* of the present amount of income."

He gives his proofs thus:—

"The present expenditure, say interest on National Debt	£28,253,572	0	0
One-third less	9,417,857	6	8
	<hr/>		
	£18,835,714	13	4
Expenditure, independent of interest	20,989,141	0	0
Say one-third less	6,996,380	6	8
	<hr/>		
	£13,992,760	13	4
Amount of interest on National Debt and expenditure	32,828,475	6	8
If the property and income tax of 3 per cent on £150 and upwards, in 1845, amounted to £5,026,570,			
20 per cent would be	35,510,466	0	0

But if the property and income tax were paid on all sums of £60 and upwards, much less than 20 per cent. would be required."

He continues:—

"Thus, having reduced the expenditure of the country to the lowest rate, and having released the poor from all taxation, the resources of the country, both in produce and labour, would have a fair chance of competing with the whole world. * * Timid persons will say this measure can not be carried out. I say timid persons could not carry it out; but I have seen such great changes take place, and such measures adopted as were previously considered utterly impossible."

He proceeds to recount the measures which were of that fearful aspect, and which were carried by the ripening of public opinion.

PLAN XIII.

BY MR. J. S. BUCKINGHAM, WITH OPINIONS OF DR. PALEY AND MR. JOHN STUART MILL.

Mr. Buckingham has recently issued a work, entitled "National Evils and Practical Remedies," which abounds with information and suggestions on the science of finance. Some of his plans of Reform extend to the structure of a model town and its social government, subjects beyond the scope of Financial Reform, and of this Association; but those who do not agree, nor desire to agree, with the author on these projects, may yet study his work with great advantage. If it be known and borne in mind that Mr. Buckingham has for full forty years been a pioneer in advance of the mass of mankind, with projects of reform, all more or less opposed, even contemned, scorned, as impracticable or unworthy, but all adopted by public opinion and the Legislature at last, except those just put forward in this his latest book, it will at once be conceded that, if not agreeing with all he proposes, the reader must be careful not to pronounce against him too soon.

The practicability of *immediate* abolition of negro slavery was propounded by him long before the Anti-Slavery Association took it up; and it was denounced as "utterly impracticable and dangerous," so lately as 1825, by the leading parliamentary friends of abolition. He proposed the overland route to India so long ago as 1818, and negotiated with the Pasha of Egypt, who was favourable to it, but found it opposed by the East India Company as impracticable. Through him, more than through any other man, a free press was established in India. He urged the abolition of the Suttee, or burning of widows; the renunciation of the idol revenue of Juggernaut; the colonization of India by British settlers; the extension of trial by jury to British subjects in India; the abolition of the East India Company's commercial monopoly; free-trade to every part of India and China; and extension of education to the natives of India subject to our rule; all of which objects were declared to be "impracticable," and the mere discussion of them alleged to be dangerous to the very existence of our Indian empire. Mr. Buckingham was expelled from India, to the ruin of a valuable property, for persisting in their advocacy; yet all these changes have been peacefully, and some of them, as must be well known to the mercantile community of Liverpool, most beneficially effected. Thirty years ago, and variously since, he advocated the entire abolition of quarantine establishments, as "wholly inefficient in preventing the spread of epidemic diseases, and at the same time productive of the greatest injury to the commercial interests of the country," for which he was denounced by medical and political authorities, yet the sanitary commission and public opinion now pronounce him right. In 1834 he proposed in Parliament the abolition of duelling; the proposal was scorned, but is now adopted even by the articles of war. In 1834 he obtained the committee to inquire into the questions of temperance and drunkenness, and was met with unbelief and ridicule from almost every newspaper in the kingdom, yet most of them now acknowledge the promotion of temperance to be a worthy object. In 1835 he introduced a bill to enable the local authorities in all towns to provide public walks and gardens, public baths, institutions, and museums for the promotion of the health, enjoyment, and instruction of the labouring classes. It was opposed as "visionary and absurd," laughed at by some, censured by others, regarded with indifference by the rest, and finally defeated. Now we find public opinion ripe enough to induce Government and the Legislature to promote those objects.

In 1834 he moved a resolution against the impressment of seamen, and was met by the resolute hostility of the whole Whig Cabinet, the assertion being that such a step would be "fatal to our naval supremacy," that the idea of securing a sufficient number of men was "visionary and absurd," yet in three years from the time of his introducing the subject to the house, that same Cabinet, constrained by public opinion, brought in a bill embodying all the changes he had proposed, substituting voluntary enlistment for forcible impressment, limited for unlimited service, more generous treatment, ample allowance while serving, and pensions for good conduct. In 1836 he brought in a bill for the establishment of a mercantile marine board, which was defeated on the second reading and thrown out, yet adopted by the Legislature ten years afterwards, without opposition. In 1837 he proposed a congress of nations to establish, by treaties, a system of international arbitration, which

ould be binding, for the settlement of all disputes. This, too, was treated as a 'visionary dream,' to which it would be impossible to make converts; yet a great change is in progress in the public sentiments, and societies are established to effect this end.

But of the questions which Mr. Buckingham initiated, or permanently advocated, that of direct taxation is now to us the most interesting. In Parliament, between 1832 and 1837, he delivered his opinion in favour of a gradual removal of all the existing duties, imposts, and taxes of every sort and kind, both of customs, excise, and assessed taxes, by the progressive substitution of an income and property tax, as the only source of revenue, which combined equity, economy, and productiveness to the greatest degree; and the only one, therefore, that ought to be used in every civilized country. On this, as on most other topics which engaged his attention in Parliament at that time, both the ministers and the opposition were united in their objections to it. Judging from the speeches of the leaders, Lord Althorp speaking for the Whigs, Sir Robert Peel for himself and his party, it did not appear possible that the latter would ever assent to direct taxation at any time in any form; yet, in a few years, Sir Robert Peel proposed and carried the imposition of an income-tax; its details indefensible, yet its principle that of direct taxation, which he had before denounced. Lord John Russell and his party have adopted it, still professing to treat it as a temporary resource, yet, in practice, confirming its permanence. The question with the public now is, how to make it equitable; with this Association, how to make it a substitute for all other taxes.

Mr. Buckingham demurs to speak of free-trade as a thing accomplished so long as the gigantic obstructions of customs and excise, and the coast blockade by revenue cruisers, exist. The Association think it but just to his many unrequited services that on this point they should recognise his opinion in his own words. Speaking of the East India Company's monopoly, and his going, at Mohammed Ali's request, from Egypt to India twice to effect an opening of commercial intercourse by way of the Red Sea, he says:—

"But the jealousy of the East India Company at any example of free-trade with any part of their vast dominions was such, that I was instantly and arbitrarily banished without trial, hearing, or defence, for having dared to set my foot on their sacred territory without their special licence or permission. I had an early foretaste, or experience, therefore, of the hatred which all great monopolists have towards free-trade; but as in most other cases, so in this, the faith for which I suffered became the desire to me for the persecution; and, like the martyrs of old, who died for their religion, I was prepared to make any exertion, and suffer any sacrifice for the promotion of free-trade.

"Happily, my labours were crowned with success, for after writing for about twelve years in favour of free-trade, from 1818 to 1830, the year in which I proposed the free interchange of a million sterling worth of English and French goods, all duty free, between London and Paris, and after a pilgrimage through all England, Scotland, and Ireland, on this subject, addressing not fewer than five hundred assemblies, averaging a thousand auditors each, and spending four years in time, and many thousands of pounds in money, I was at length returned to Parliament, to advocate the doctrines of free-trade with India, China, and the eastern world, and had the satisfaction of seeing the East India Company's monopoly destroyed, and the trade of the East thrown open equally to all the nations of the world. These labours and this expenditure were carried on without the assistance of any large public bodies or wealthy individuals, and were many years before Mr. Cobden's equally successful efforts for the abolition of the home monopoly in corn.

"I do not use the term, 'the completion of free-trade;' for I hold that this is not yet attained, even though the navigation-laws have been repealed. So long as there remains any duty or impost, direct or indirect, of excise or customs, on any article of produce, home or foreign, exported, imported, or manufactured, free-trade cannot be said to exist. Nor until the landed interest be released of their peculiar burdens, as well as the manufacturing, and till the British shipowners be placed on a footing of perfect equality with foreigners in the building, equipment, and provisioning their vessels, and all the revenue of the country is derived from property and income alone, can free-trade be said to be attained. But having advanced some steps towards it, the rest is merely a question of time, and that, perhaps, not very remote."—*National Evils and Practical Remedies*, pp. 65 and 66.

With respect to the exact scale by which an Income-tax should be settled, Mr. Buckingham says:—

"This would be the proper work of a Finance Committee, or of the Legislature itself. It is sufficient here to exhibit the principle of the reform required, and the working out

would be matter of detail; though nothing is more easy than to conceive the subdivision of incomes into the requisite number of classes, by taking them within certain well-defined amounts, and thus taxing all incomes below £100 a year at one, two and three per cent.; from £100 to £200 a year, at two, four, and six per cent.; from £200 to £500 a year, at three, six, and nine per cent.; from £500 to £1,000 a year, at four, eight, and twelve per cent.; from £1,000 to £2,000 a year, at five, ten, and fifteen per cent.; and so on by augmented rates for augmented amounts, till the maximum should be attained of ten per cent. on precarious incomes, twenty per cent. on fixed annuities for life, and thirty per cent. on heritable property, for the largest amounts of incomes of each class.

"This other method might be also pursued in the assessment of incomes; not insisting on the minute and exact amount of every man's actual gains, which to many it must be so difficult to state with perfect accuracy, but requiring the returns to declare merely that the income is above £50, but below £100; above £100, but below £200; above £200, but below £300, and so on, which would be sufficiently near for trading or professional profits; but in annuities, rents and incomes from more permanent sources, greater exactness might be required and attained.

"Such a margin as this would remove in a great degree the strong objection, which some really feel and others profess to experience, against what they call the *inquisitorial* nature of an income-tax, as compelling all men to make a full disclosure of their affairs. It is to be feared, however, that this objection is most strongly felt by those who are desirous of assuming a false position in the world, by having a reputation for more wealth than they possess, and thus trading on fictitious credit."

Mr. Buckingham goes on to show that the *inquisitorial processes* of the customs and excise far exceed in annoyance, hindrance of business, and waste of time and capital, the alleged *inquisitorialness* of the income-tax.

"No merchant can either export or import any of the various articles subject to duty or drawback without being obliged to expose to the proper officers, when required, his invoices, bills of lading, and all particulars of quantity and value, accompanied by bonds, oaths, visits of custom-house officers to his docks, warehouses, and ships, and without being liable to be called upon to give a full explanation of any matter or thing which these officers, in the course of their duty, may require; besides having his goods subject to seizure, and himself to be mulcted in penalties of heavy amounts for any infractions of the complicated revenue-laws, either by himself or his servants, and whether wilfully or inadvertently made.

"Passing from thence to the excise, the *inquisitorial* nature of its proceedings is far more searching and vexatious," &c.

The Association have gone fully into those vexatious annoyances in previous sections, and need not, therefore, quote Mr. Buckingham farther on this head. On the distinction which should be made between incomes as to the rate per cent. at which they should be assessed, he adduces the opinion of Dr. Paley, and introduces it thus:—

"As strict justice requires a clear distinction to be made between incomes arising from professional labours, incomes from fixed annuities, and incomes from permanent property in perpetuity—taxing these each according to an ascending scale—the same sense of justice induces a belief that the *amounts* of incomes as well as the *sources* from whence they are drawn should be subject to a different rate of charges. As this is sure to be regarded as a very dangerous heresy by the rich, and would be objected to strongly by them as the increased ratio of taxation on permanent incomes would be opposed by those having their fortunes invested in land or funds, it may be well to fortify this opinion by a high authority; and this shall be presented in the words of one of the most philosophical of the divines of the Church of England, the celebrated Dr. Paley, who says—
"A tax to be *just* ought to be accurately proportioned to the circumstances (or more correctly, perhaps, to the amount of the property) of the persons who pay it; but upon what, it might be asked, is this opinion founded, unless it could be shown that such a proportion interferes the least with the general convenience of subsistence? Whereas I should rather believe that a tax constructed with a view to that convenience ought to rise upon the different classes of the community in a *much higher ratio* than the simple proportion of their incomes. The point to be regarded is not, what men *have*, but what they can *spare*; and it is evident that a man who possesses £1,000 a year can more easily give up £100, than a man with £100 a year can part with £10; that is, those habits of life which are reasonable and innocent, and upon the ability to continue which the formation of families depends, will be much less affected by one deduction than by the other. It is still more evident that a man of £100 a year would not be so much distressed in his subsistence by a demand from him of £10, as a man of £10 a year would be by the loss of £1; to which we must add, that the population of the country being replenished by the marriages of the lowest ranks of society, their accommodation and relief become of more

importance to the state than the conveniency of any higher, but less numerous order of citizens."

Thus far Dr. Paley. Mr. Buckingham, referring to Adam Smith's axiom, namely, that "the subjects of a state should pay in proportion to their respective abilities," remarks:—

"So long as a man with an income of £300,000 a year must be more able to pay thirty per cent. of income-tax than a man of £50 a year to pay five per cent., so long must the graduated scale be considered more just than a uniform one for all classes."

Then he adduces the opinion of the editor of the *Morning Chronicle*, who, reviewing the last edition of M'Culloch's "Principles of Taxation," said:—

"The common sense of mankind has determined that a tax of £3 on a man worth £100 a year causes more severe pressure than a tax of £300 on a man worth £10,000 a year; and, therefore, if graduation be allowed, the rate of taxation should increase with the amount of the property."

He also refers to the recent work on Political Economy, by Mr. John Stuart Mill, who suggests that the natural increase of land rent, arising from the increase of industry and capital, applied to manufactures and commerce, which rent increases without any effort or risk of the owner, would form a fair source of revenue for the state. Into this profound, all-important question the Association do not at present enter.

PLAN XIV.

PROPOUNDED IN THE PRIZE ESSAY OF THE NATIONAL CONFEDERATION.

At a distance from Liverpool it is probably unknown, or but imperfectly understood, that, besides the Financial Reform Association, based on the simple proposition of complete freedom to industry and commerce, and the lowest expenditure of taxes consistent with good government, there is the "National Confederation," embracing local as well as national taxes, and other subjects not related to the national revenue. In so far as the members of that society have promoted the objects of this Association, their labours are freely recognised and heartily acknowledged. In their *Address for an Equitable Adjustment of National and Local Taxation*, (1849,) it is said that—

"Direct taxation would produce a change incalculable in its beneficial results. It would, in the first instance, enable the State to receive from each individual a contribution proportioned to his means for the support of the Government. It would bring home to every man's knowledge what the Government cost him, and their self-interest would make the Government, and legislature, and people economical. The peer and the peasant would each pay in exact proportion to his means. Those who have the power of legislation in their hands would naturally oppose any extravagance which was exercised at their own serious cost. * * * * * To carry out an equitable system of national taxation, the Confederation are satisfied that no plan can be so effective as that of the *direct* system, with capitalization of income as the basis of assessment. By this means a just value will be placed on every man's income according to the source from which it is drawn—annual incomes, equal in amount, differing materially in actual value for purposes of taxation, according to the permanent or precarious channel through which they flow. A scale of values will be established, which will regulate incomes for taxation purposes as they may be classified."

It is probably not known to the general public, certainly not so clearly as it should be, that indirect taxation has been defended on the ground (by nearly every writer who has written in its defence) that it conceals from the tax-payer the real amount which he contributes to the revenue. Professor Alison, in his essays, first published in "Blackwood's Magazine," says, of direct taxation—

"Unlike the indirect taxes which are paid without being felt, or forgotten in the enjoyment of the objects on which they are laid, it (the direct) brings the bitterness of taxation in undisguised nakedness to every individual, and produces, in consequence, a degree of discontent and exasperation which nothing but the excitement of continual warfare, or a sense of uncontrollable necessity, can induce a nation to bear."

No doubt this is partly true; every State-party governing, or aspiring to govern, and spend the enormous tax revenue of Britain, knows it to be so; hence the slowness of any State-party to acknowledge the justice and simplicity of direct taxation.

On this the Confederation remarked, in their *Letter to Richard Cobden, Esq., M.P.*, (1849)—

“It would appear that the *morality* of the principle of indirect taxation, or of the amount levied, is second to the question of facility of exaction, while the direct system is condemned because a man is made aware of the precise amount of his obligations when he is in his sober senses! There could not be a more bitter satire on the folly of the people who submit, or on the selfishness of the powers who inflict.”

In December, 1848, the Confederation resolved “on inviting the views of qualified parties on the subject of national taxation, and the equitable adjustment of the same,” by offering, “for the best prize essay they may receive, a premium of £70, and for the second best a premium of £30.” This resulted, to the public, in the issue of a pamphlet, sixty-eight pages octavo, entitled “*The Elements of Taxation, by X & Y.*”

In the able historical and elucidatory introduction there are so many truths well expressed, that to quote forcible passages in preference to others is exceedingly difficult; nor is there any need to do so here, as the Association have gone so fully into details of the whole revenue system in their previous tracts. Still, two or three passages bearing on points least understood may be again urged on the public consideration:—

“The wealthy, too, escape the payment of indirect taxes by abstaining from the use of the commodities with whose price they are involved; but many of these being indispensable to the poor, they have no option but to buy them, and thus contribute unequally to the necessities of the State. The greatest of all evasions, however, takes place when any large interest preponderates in the legislature, and uses its power to ward off taxes from itself.”

And again:

“In addition to the collateral advantages of creating and providing places for their relatives in the church, the army, the navy, the colonies, and by commissions in every department of Government at home, the landholders have secured a seeming immediate benefit in the light subjection of the land to State contribution, and in the imposing of the weight of the taxes upon those articles of consumption which least affect themselves.”

And mark the result.

“This procedure on their part would appear to the superficial observer to be perfectly natural and highly profitable; but a little investigation demonstrates that a more short-sighted policy could not be pursued. For men of means to exempt themselves from a fair share of the burdens of the community among whom they live, and on whose prosperity the produce and increase of their estates depend, is unwise, as it is clear that, by depressing the condition of the people, they poison the springs of their own resources, and give an unprogressive character to their investment.

“Moreover, experience demonstrates that exactly in proportion as the number of the people increase, and trade and manufactures flourish, does the rental of land increase. In 1600 the territorial rents were only £6,000,000; in 1688 they had grown with the growth of the nation to £14,000,000; and pursuing the same steady course, the amazing development of industrial and artistic skill within the last seventy years has swelled the annual returns of real property in Great Britain to upwards of ninety-five millions. However potent to annihilate, no law can create ability to buy—a truth fatally overlooked by the landed interests.

“Not to mention that taxation upon industry pauperizes the multitude, and that to this cause more than to all others must be attributed the existence of the monstrous fact that there are two millions of paupers in Great Britain, and three millions in Ireland, forming one-eighth of the population in one case and three-fifths in that of the other, the system of levying taxes indirectly by customs and duties upon commodities, diverts capital from its legitimate employment, and thereby cramps the energies and retards the progress of the people. Our traders, importers, and manufacturers have to withdraw nearly *forty millions* a year from reproductive and distributive business to satisfy imperative fiscal demands. And this large sum is nationally unproductive, for although it becomes involved in the price of the commodities on which the duties are charged, it neither aids nor distributes the productions of the people.

“The restoration of this amount to our industrial capital would impart extraordinary energy to every branch of trade and manufacture and effect a desirable revolution in domestic comfort.”—Pp. 19, 20.

To which follows a proposition so true, so comprehensive, that, well studied and understood, the science of finance becomes neither a mystery nor a difficulty.

“International commerce being based upon reciprocity of advantages, our ability to buy the goods of other countries is measured exactly by our surplus production, the quantity of

which is greatly diminished by the imposition of duties on commodities; and, whether these duties be charged on articles of native or foreign origin, affects not their consequence, for in either case they press with equal weight on the means of the home consumer."—P. 20.

X & Y introduce their plan of direct taxation by saying—

"We premise that *capital*, in its enlarged sense, comprehends that which produces as well as the thing produced. Lands and their rents; ships and their freights; railways, canals, funds, and their dividends; principal and its interest; merchandise and its profit; hands, heads, and their fees and wages, alike constitute capital. But the rents, the freights, the dividends, the interest, the profit, the fees, the wages, being the increments of increase, are, though homogeneous with the source from which they spring, distinguished for the purposes of taxation by the term *income*.

"Now, the scheme of deriving a revenue from one source, *income*, by means of one tax, a graduated charge upon it, according to the more or less precarious nature of the capital whose increment it is, defines what we intend by direct taxation."—P. 27.

* * * * *

"As the sources of income are diverse in their nature, different in their magnitude, and incontinuous in their flow, being here full, there dried up, like the springs which the traveller meets with in his wanderings in arid countries, we propose, for the purpose of taxation, to measure the flowings in exact accordance with the mutability of their origin. *The number of years which the income of a week, a month, a year may be enjoyed from the age of twenty upwards*, will form the elements of computation by which the amount of capital belonging to those who subsist by labour, or by labour and property combined, may be ascertained; and property of every other description will at once be capitalized, *by observance of the simple rule of multiplying the annual produce into the number of years' purchase which it would command by exposition to sale*. Labourers, for example, who earn £1 a week, have an income of £52 a year; which we may reasonably imagine them, one with another, to have the fruition of *for seven years and a-half*. The capital of each, therefore, would be £390, and this sum would yield, by assessment of three-quarters of per cent. upon capitalized income, the weekly increment of *1s. 1½d.* The clerk who receives, by way of salary, £100 per annum, may also be *supposed to gain it for seven and a-half successive years*; and hence the capital which he must bring to be assessed is £750, which would make his tax amount, by similar per centage to *£5 12s. 6d.* a year. And the recipients of annuities, rents, and dividends, have only to *multiply their annual receipts by the number of years' purchase that they are worth*, in order to determine the quantity of capital subject to charge."—P. 38.

The passages printed in *italic*, in the last paragraph, suggest the inquiry in the reader's mind which X & Y do not seem to have provided an answer for—namely, on what principle or known data do they give the number of years in which an income may be enjoyed, or for which it may be purchased? If it be arbitrarily assumed that "labourers" and "clerks" are in receipt of their income seven and a-half years without data, that period had better not have been named; if there be authority for calling that the period of their income, it should have been given; and so with the periods of enjoyment, or number of years' purchase of other incomes. Nor does it appear on what ground "274,305 farmers and graziers, land surveyors, nurserymen, and florists," are to be computed as worth £250 a year each; or "923,851 farm-bailiffs and stewards, gardeners and agricultural labourers," £20 a year; or the class of handicraft, masters, and workmen, £78 a year; or capitalists, bankers, and other professional men, £500 a year each?

Still, even were those assumptions nothing more than hypothetical, they are interesting and suggestive. Three tables are given: No. 1 is "Approximate income from labour, and labour and property combined, of males over twenty years of age in Great Britain, based numerically upon an analysis of the census of 1841." Total of such males, 4,761,091; their income, £364,122,024.

Table No. 2: "Annual value of real property in Great Britain, assessed to the property and income-tax for the year ended 5th April, 1843 (excluding properties under £150)." Result, £95,284,497. Real property under £150, £24,715,503. Annual value of dividends, &c., £30,000,000.

Table No. 3: "Approximate income from labour and labour and property combined, of families in Ireland, based also numerically upon the census of 1841." Total result, £74,256,864.

After which those sums are thus capitalized for taxation:—

"GREAT BRITAIN.—The total approximate income from labour, and labour and property combined, of males in Great Britain over twenty years of age, is, according to table No. 1,

£364,122,000, which, at even seven and a-half years' purchase, forms the annual increment of a capital of £2,730,915,000. The yearly value of the real property of Great Britain, as above stated, amounts to £120,000,000, of which we compute that one-sixth is leasehold, and therefore £20,000,000 of it will (at twelve and a-half years' purchase) form the periodical increase of a capital of £250,000,000; that one-fourth of it is freehold houses, and will form, at fifteen years' purchase, a capital of £450,000,000. The remaining £70,000,000 from lands will be worth twenty years' purchase, which, by similar computation, represents a capital of £1,400,000,000. The £2,000,000 of annuities at ten years' purchase will form a capital of £20,000,000; and the £28,000,000 of dividends at twenty-five years' purchase will be held equivalent to a capital of £700,000,000; capitalization of Great Britain, £5,550,915,000."

"IRELAND.—The total approximate income of families in Ireland from labour and labour and property combined, is, according to table No. 3, £49,110,362, which, at seven and a-half years' purchase, forms the annual increment of a capital of £369,426,480. Adopting a similar division of real property as we have assumed to approach the truth as to Great Britain, we shall have one-sixth of it, £4,166,666, worth twelve and a-half years' purchase, which makes a capital of £52,083,325; one-fourth of it, £6,250,000, worth fifteen years' purchase, equal to £93,750,000; and the remaining £10,416,666 will be worth twenty years' purchase, and equal to £208,333,320; capitalization of Ireland, £723,593,125."

Upon these calculations X & Y proceed to deduce the required revenue thus :

"The capitalization of the income of Great Britain amounts, as in the preceding sketch, to £5,550,915,000; that of Ireland to £723,593,125; forming together an assessable capital of £6,274,508,125; on which three-quarters per cent. would raise a revenue of £47,058,811, which would not cost more in the collection than the surplusage of profit from the Post-office, to which purpose we would apply this only remaining tax of the present system; so that the proceeds of the direct tax would be received into the exchequer without the smallest abatement. And the excess of income over expenditure which might appear on each triennial adjustment of the per centage, from the greater prosperity of the kingdom, or from the rigid enforcement of economy in every department of the state, should go to increase the ways and means of the succeeding period, and gradually relieve the people from the consequences of the pecuniary sins of their ancestors by diminishing the amount of annual taxation."

They next propose that the payment of such taxes shall qualify for the exercise of electoral power, whether for the election of members to serve in the general or local parliaments. As to the *collection*, they do not afford minute details; they only signify the principles on which it should be effected.

They give some additional tables illustrative of the inequality of indirect taxation on families of large and small incomes. The income-tax falls for parliamentary revision next year; before it is again imposed, the public should understand, and be able to make their representatives know the evil influences of the present, and the true principles which should guide the future system of taxation.

PLANS OF DIRECT TAXATION REVIEWED AND CONCLUDED.

In drawing their review of plans of direct taxation to a close, the Association do so rather because nothing new, or materially differing from those already noticed, remains. "Taxation Revised," in a pamphlet by Thomas Furnival, is suggestive, but its propositions are too complex, and have too little regard for the relief of productive industry.

"A Letter on the Assessed Taxes, with Suggestions for a General Revision of the Duties," is one of the latest productions on finance. It is "by an Officer of the Tax Department of the Board of Inland Revenue," understood to be a well-known writer on political economy. It is addressed to the Chancellor of the Exchequer, and the rumour about it in certain circles is, that this pamphlet may be received as a semi-official intimation of the Financial Reform intended to be proposed by the Government in 1851, in connection with a renewal of the Income-tax. Upon this the Association only remark, that if either Mr. Senior (the supposed author), or Sir Charles Wood, or the Government collectively, think that such petty tinkering, as a "revision of the assessed taxes," is to satisfy the demand for Financial Reform, they have much to learn, both as to the principles of finance and the financial education of the public.

"A New Scheme of Taxation, by a Liverpool Merchant, 1847," after enforcing

most unanswerable reasons why there should be a new scheme of taxation, proceeds to its development thus:—

“As Governments are for the protection of the *lives* and *liberties* of all, all ought to contribute to the support of Government, and this might be done by a poll-tax, levied upon all individuals twenty-one years of age and upwards, of sound mind, and able to support themselves by property or by labour; but, as Government is chiefly for the protection of property, property must be made to pay the largest proportion of the taxes. As all property was produced by mental and physical labour, and as the labourers have received the smallest share of the wealth they alone have produced, the smallest percentage ought to be taken from their property or income for its protection. Let it be imperative, then, upon every individual with an income of £50 per annum and upwards, to pay the poll-tax, and let every individual who pays this tax have a vote for members of Parliament; and if any individuals with a less income than £50 choose to pay the poll-tax, let such have a vote also. * * * * *

“The revenue of Great Britain is at present (1847) about forty-nine millions sterling pounds per annum. The savings in collection would, probably, be not less [by direct taxation] than five millions per annum. The Post-office, provided the duty on newspapers were abolished, and a penny each charged for newspapers sent by post, or for any pamphlet or magazine under two ounces, and parcels under 2 lbs., instead of 1 lb., were carried, would, probably, produce two millions more. Licences being continued on certain trades and professions which, from their nature, require public superintendence and control, probably two millions more might be derived, which would leave about forty millions to be provided for by direct taxation. The present income and property tax, commencing with incomes of £150 per annum, at the rate of 7d. in the pound, produces from five to five and a-half millions. Eight times that amount would be more than sufficient to relieve us from all other taxes. Take the following scale as an approximation. (Votes to be, to a certain extent, progressive with taxation):—

Votes.	Incomes of, per annum.	Per annum.
“1	£50 to £150, poll-tax of 10s.	
1	150 to 200, ditto, and 7d. in £ on income.	
1	200 to 250, ditto, and 1s. ditto.	
1	250 to 300, ditto, and 1s. 6d. ditto.	
2	300 to 500, ditto, and 2s. ditto.	
3	500 to 1,000, ditto, and 3s. ditto.	
4	1,000 to 5,000, ditto, and 4s. 6d. ditto.	
6	5,000 and upwards, ditto, and 6s. ditto.	

“Persons with incomes arising from realized or fixed property, 25 per cent. additional.”

The Association again remark that these plans of direct taxation are not put forth as theirs; but to the result, which the writer foretells as certain to follow the substitution of direct for indirect taxation, they at once adhere. He says:—

“The effect of this mode of taxation must necessarily be an immense increase in every business, a great increase in wages and the profits of business, increased revenue and greater economy in the public expenditure, and, consequently, diminished taxes. Books would be much cheaper, and papers and newspapers. Soap, sugar, tea, coffee, malt, beer, cider, wine, would be at half the present prices; *bricks* and *timber* would be at *two-thirds* their present prices.”

Bricks are now (1850) duty free, and taking the kingdom all over, their price is lowered fully as much as was thus foretold in 1847, besides being in greater demand, with wages of brickmakers above the wages of previous years.

The Association believe that the other supposed results would follow in every case as in that of bricks. The “Merchant” continues:—

“Buildings would be erected for less money, and rents would be lower; the window-tax being abolished, houses would be better lighted and ventilated, and the health and comfort of the people promoted. These are only a few of the advantages; to enumerate all would require a volume. If, therefore, we profess to be advocates of free-trade; if we wish to relieve our manufacturers from vexatious and inquisitorial interference with their business; if we wish for a flourishing revenue with a small amount of taxation; if we wish for an increase in our trade and commerce; if we wish to foster science, ingenuity, and invention; if we desire to have and enjoy every thing the world produces of the best quality, and at the cheapest prices; if we wish to see all our population well fed, clothed, housed, and educated;—in short, if we desire *peace, plenty, and happiness for all*, let us all use our best endeavours for the abolition of our deceptive, cheating, and humbug system of indirect taxation, and substitute in its place a direct, open, honest system of direct taxes.”

With this review of plans for the substitution of direct for indirect taxes, the

Association close this division of their labours; though they do not adopt any of these plans, they hesitate not to assert that any of them is more equitable in principle; the most defective of them is greatly preferable to the present costly, anomalous, pernicious system of indirect taxation. They are not legislators. It is not their province to provide a substitute for the present system; that duty must devolve upon the Government and Legislature when the public voice shall imperatively demand the change. This Association assume no further duty than to inform, instruct, indoctrinate the public mind; to that end they will yet continue to labour, in the full assurance that the Government, of whatever men or politicians composed, will devise a plan of direct taxation incomparably superior to the present system, when that time arrives, which cannot be much longer delayed.

HISTORICAL REVIEW OF THE FISCAL SYSTEM.

SECTION I.

THE ANCIENT AND ORDINARY REVENUES OF THE CROWN.

Fiscal is a word derived from *fisc*, a basket, a public receptacle, a public treasury. Sir William Blackstone, the highest authority on constitutional law, defines fiscal revenue to be "A portion which each subject contributes of his property, *in order to secure the remainder.*"

It is well to understand clearly at the outset that the public revenue is not an inheritance of the Sovereign, not an appendage of the Crown, or even of the Government or Legislature separately or collectively, but "A portion which each subject contributes of his property, *in order to secure the remainder.*" The less the subject pays for his security the larger is his remainder. His sole concern with taxes, says this highest constitutional authority, is to secure a large remainder of property to himself. And, observe, that it is "property," not wages, not industrial process, not commercial exchange, not industry, engaged in the change of place, form or quality of raw materials and products, that is to be taxed, but it is actually property.

"This revenue," continues Blackstone, "is either *ordinary* or *extraordinary*. The King's ordinary revenue is such, as has either subsisted time out of mind in the crown, or else has been granted by Parliament by way of purchase or exchange for such of the King's inherent hereditary revenues as were found inconvenient to the subject."

In that paragraph and the next he recognises the inherent rights of the Crown, which at first would seem a contradiction to what went before, that taxes could only be levied to secure to the subject the remainder of his property. But a closer attention to the great constitutionalist discovers his consistency. "The inherent hereditary revenues *which were found inconvenient to the subject,*" had been changed to a form more convenient, "to the subject." Were all the truth known, the changes might be traced to the convenience of the Sovereign rather than the subject; but it is well to know that in constitutional law the convenience of the subject is held to be a higher right than that of the Crown.

"When I say that it" (the ordinary revenue he continues to comment upon) "has subsisted time out of mind in the Crown, I do not mean that the King is at present in the actual possession of the whole of this revenue. Much, nay the greatest part of it, is at this day in the hands of subjects to whom it has been granted out from time to time by the kings of England, which has rendered the Crown, in some measure, dependant on the people for its ordinary support and subsistence; so that I must be obliged to count as part of the royal revenue what lords of manors and other subjects frequently look upon to be their own absolute inherent rights, because they are and have been invested in them and their ancestors for ages."

Those grants of manors were vested in individuals that they might do public service to the Crown. The service has ceased: the manors have not reverted to the Crown or to the public. The first class of those ancient revenues which fall to be noticed are ecclesiastical; they need only be briefly glanced at.

The *custody of the temporalities of bishops* (lay revenues, lands, and tenements), are vested in the Crown when the see is vacant.

"Our ancient kings, and particularly William Rufus, were not only remarkable for keeping the bishoprics a long time vacant for the sake of enjoying the temporalities, but also committed horrible waste on the woods and other parts of the estate; and, to crown all, would never, when the see was filled up, restore to the bishop his temporalities again unless he purchased them at an exorbitant price."—*Blackstone, book I, chap 8.*

To remedy this, Henry I. granted a charter at the beginning of his reign, securing the revenues to the bishoprics. The charter was subsequently renewed, which suggests the probability that it had been broken. At the present time the vacancies are filled up soon after they occur; but, if any revenue fall to the Crown during the vacancy, it is paid over to the next bishop.

Another of the ancient ordinary revenues arising to the Crown from ecclesiastical sources was a *corody*. It is thus described:—

"The king is entitled to a *corody*, as the law calls it, out of every bishopric; that is, to send one of his chaplains to be maintained by the bishop, or to have a pension allowed him till the bishop promotes him to a benefice. This is also in the nature of an acknowledgment to the king as founder of the see, since he had formerly the same *corody* or pension from every abbey or priory of royal foundation. It is, I apprehend, now fallen into total disuse, though Sir Matthew Hale says that it is due of common right, and that no prescription will discharge it."—*Ibid.*

It might be worth little to the public were it restored to use, but the fact is worth a remark, that so far as bishoprics were charged with this part of the expense of the royal household, the burden has been shifted to the taxes paid by the people. Yet, says Sir Matthew Hale, "no prescription will discharge" that duty of the bishoprics to the Crown.

The next ancient revenue of the Crown arising from ecclesiastical sources was *extra parochial tithes*; but Blackstone doubts if they could be called public revenues as they were, or should have been held in trust by the Crown for the benefit of the clergy generally.

The next ancient source of revenue was one of greater consequence. It consisted of *first fruits* and *tenths* of all spiritual preferments in the kingdom. These were first levied in the see of Norwich by the Pope's legate in the reigns of John and Henry III., and afterwards attempted to be made universal about the beginning of the fourteenth century. The *first fruits* were the first year's whole profits of the spiritual preferment. The *tenths* were the tenth part of the annual profit of each living by the same valuation (which from time to time was varied, unlike the land-tax valuation, which has remained the same for a century and a-half). This revenue was paid to the Pope before the reign of Henry VIII. When that king assumed the supremacy of the church, he assumed the revenue appertaining to that supremacy. This portion of it was transferred to the church in the reign of Queen Anne, for the augmentation of small livings, and is known by the name of Queen Anne's bounty.

The first in order of ordinary sources of revenue (not ecclesiastical) appertaining to the Crown, is the *rents and profits of demesne lands*. These were once extensive, but were granted to private individuals. Those grants occasioned the Parliament frequently to interpose.

"Particularly," says Blackstone, "after King William III. had greatly impoverished the Crown, an act passed whereby all future grants or leases from the crown for any longer term than thirty-one years, or three lives, are declared to be void; except with regard to houses, which may be granted for fifty years."

Various other provisions were made to preserve the property of the Crown (property of the public) from falling into private hands; but "the misfortune is the act was made too late, after almost every valuable possession of the Crown had been granted away for ever, or else upon very long leases."—*Ibid.*

A second source of ancient revenue was the property upon *military tenures*, to which most lands in the kingdom were subject till the statue the 12th of Charles II. in great measure abolished them.

The association will revert to them again in connection with the land-tax.

A third source of revenue was "the profitable prerogative of *purveyance and pre-emption*," which was a right enjoyed by the Crown of buying up provisions and other necessaries by the intervention of the king's purveyors, for the use of his royal household, at an appointed valuation, in preference to all others, and even

without consent to the owner; and "also of forcibly impressing the horses and carriages of the subject to do the king's business on the public roads in the conveyance of timber, baggage, and the like, at a settled price." "The king's household was supported by specific *renders* of corn and other victuals from the tenants of the respective demesnes, and there was always a continual market kept at the palace-gates to furnish viands for the royal use,"

Those powers of purveyance and pre-emption fell into disuse during the civil war, and on the restoration of Charles II. they were commuted by statute for an excise of fifteenpence per barrel on all beer and ale sold in the kingdom, and a proportionable sum for certain other liquors. This is called, in revenue law, the "hereditary excise;" from which origin and name it has been asserted that Parliament is not competent to abolish or transfer it, because of a "compact with the Crown." But, as we have just seen, the highest constitutional authority places the convenience of the subject above the rights of the Crown in matters of revenue. Moreover, Parliament has, from time to time, enlarged the excise revenue, and can in like manner diminish it. And more, Parliament, in all matters of revenue, is politically omnipotent. The alleged *compact* between the Crown and the excise on beer is a cobweb.

The next source of revenue arose from *wine licences*, or the rents payable to the Crown by such persons as were licensed to sell wine by retail throughout England, except in a few privileged places. These were first settled on the Crown by the statute 12th Charles II., and, together with the *hereditary excise*, made up the equivalent in value for the loss sustained by the prerogative in the abolition of the military tenures and the right of pre-emption and purveyance.

That transfer of public burdens, and the reasons assigned, must not be passed lightly over by the financial student of this day. The *military tenures* by which landowners held their property (to do certain public services to the State for the use of that property) were abolished. Also the rights of pre-emption and purveyance, which gave the Crown a right to corn, cattle, butter, cheese, and the like provisions, at its own price, a burden chiefly falling upon the owners of land, were abolished, and the substitute was the new institution of the excise.

Another branch of ancient ordinary revenue was the *finis or ameracements levied under the forest laws*, of which Blackstone observes, "But as few, if any, courts of this kind for levying ameracements have been held since 1622, the eighth of Charles I., and as from the account given of the proceedings of that court by our histories and law-books, nobody would now wish to see them again revived, it is needless to pursue the inquiry farther."—*Book I, chap. 8.*

The next branch of ordinary revenue was "the profits arising from the king's ordinary courts of justice," which are thus stated:—"Fines upon offenders, forfeiture of recognizances, and ameracements levied upon defaulters; also, certain fees due to the crown in a variety of legal matters, as for setting the great seal to charters, original writs, and other forensic proceedings, and for permitting fines to be levied of land in order to bar entails, or otherwise to ensure their title. As none of these can be done without the immediate intervention of the king, by himself or his officers, the law allows him certain perquisites and profits as a recompense for the trouble he undertakes for the public." But, as is well known, "these, in process of time, have been almost all granted out to private persons, or else appropriated to certain particular uses; so that, though our law proceedings are still loaded with their payment, very little of them is now returned into the king's exchequer, for a part of whose royal maintenance they were originally intended. All future grants of them, however, by the statute 1 Anne, are we to endure for no longer time than the prince's life who grants them."

It has been reserved to the present time, indeed to a "reform" government, to retrace the improvidence of former princes; but they have done so by a process still more improvident—a process, politically and financially speaking, audacious, almost beyond the power of honest men to believe. Under pretence of relieving the process of justice from the enormous costs with which it is, as Blackstone expresses it, "loaded for a part of the maintenance of the Crown," they have in part transferred them to the exchequer, and pensioned off the recipients, most of them in perpetuity, who had no title by law to their receipt of that plunder beyond the life of the sovereign by whom the plunder was granted. So that the public are

"relieved" by still having to pay not only those costs which load the process of justice, but pensions in perpetuity (or sums of compensation equivalent to a capitalized pension in perpetuity), in addition to the said load of costs! The pretence was, that the receipts of the exchequer would exceed the disbursements; but this has proved, as yet, entirely fallacious, as will be hereafter pointed out.

The next branch of the ordinary revenue of the Crown which falls to be noticed was the right to *royal fish*—whale and sturgeon. This right was acquired by the Crown on the consideration of the sovereign guarding and protecting the seas from pirates and robbers. (*Blackstone's Commentaries, Book I, chap. 8.*) "These, when either cast ashore or caught near the coast, are the property of the king. Indeed, our ancestors seem to have entertained a very high notion of the importance of this right, it being the prerogative of the kings of Denmark and the dukes of Normandy, and from one of these it was probably derived to our princes. The most ancient treaties of law now extant make mention of it, though they seem to have made a distinction between whale and sturgeon."—*Ibid.*

This branch of ancient revenue is only worthy of remark in so far as it, like all the rest, has been improvidently disposed of. Up to the period of the present writing (1850) the most recent case of a *royal fish* attracting public attention was that of a whale brought ashore by the Deal boatmen on the coast of Kent. It was sold for £50, which price the Duke of Wellington claimed (giving £25 as a donation to the boatmen) in right of his wardenship of the Cinque Ports, it being a fiction of the law, gravely to be upheld, that those decayed places guard the English seas from pirates and robbers. Common observation points rather to the dock-yards, the navy, and the tax-gatherer. The ripeness of time has not only transferred the duty of guarding the seas to other sources of revenue than that of royal fish, but has brought forth the fact that a whale is not a fish! This last was urged upon the Duke of Wellington in behalf of the boatmen, but his grace held to the letter of the law, that a whale was legally a fish. Why should the public not hold that the institution of the Cinque Ports, of which his grace is warden, from which he and others derive a liberal revenue, from which he claimed the whale from the boatmen according to the letter of the law—that it was a fish;—why should not the public require the observance of the compact with the Cinque Ports to the letter of the law, that their revenues (now privately dissipated) shall be transferred, as the duty of guarding the seas has been transferred to the public treasury? The amount of revenue at issue may be small, but the principle is broad and general, and applies to many other revenues, royal, baronial, and manorial.

The next branch of ancient revenue falling to be noticed was also maritime, and was partly founded on the same reason—the guardianship of the seas. It was that of *shipwrecks*, which, says Blackstone, "are declared to be the king's property by the same prerogative statute, 17 Edward II., and were so long before at the common law."

As this part of the royal prerogative is at least curious, if not now pertinent to financial reform, (seeing that it has long since been abolished in favour of the owners or underwriters,) the historical narrative may be recited.

"Wreck, by the ancient common law, was where any ship was lost at sea, and the goods or cargo were thrown upon the land, in which case these goods so wrecked were adjudged to belong to the king; for it was held that, by the loss of the ship, all property was gone out of the original owner. But this was undoubtedly adding sorrow to sorrow, and was consonant neither to reason nor humanity. Wherefore, it was first ordained, by King Henry I., that if any person escaped alive out of the ship, it should be no wreck; and afterwards King Henry II., by his charter, declared that if, on the coast of either England, Poitou, Oleron, or Gascony, any ship should be distressed, and either man or beast should escape or be found therein alive, the goods should remain to the owners if they claimed them within three months, but otherwise should be esteemed a wreck, and should belong to the king or other lord of the franchise.

"This was again confirmed, with improvements, by King Richard the First, who, in the second year of his reign, not only established these concessions, by ordaining that the owner, if he was shipwrecked and escaped, '*omnes, res suas liberas et quietas haberet,*' but also that, if he perished, his children, or in default of them his brethren and sisters, should retain the property; and in default of brother or sisters, then the goods should remain to the king. And the law, as laid down by Bracton, in the reign of Henry III., seems still to have improved in its equity; for then, if not only a dog (for instance) escaped by which the owner might be discovered, but if any certain mark were set on the

goods by which they might be known again, it was held to be no wreck. And this is certainly most agreeable to reason; the rational claim of the king being only founded upon this, that the true owner cannot be ascertained.

"Afterwards, in the statute of Westminster, (Edward III.,) the time of limitation of claims given by the charter of Henry II. is extended to a year and a day, according to the usage of Normandy; and it enacts that if a man, a dog, or a cat escape alive, the vessel shall not be adjudged a wreck. These animals, as in Bracton, are only put for examples; for it is now held (by 11th George III.) that, not only if any live thing escape, but if proof can be made of the property of any of the goods or lading which come to shore, they shall not be forfeited as wreck. The statute further ordains that the sheriff of the county shall be bound to keep the goods a year and a day, (as in France for one year, agreeable to the maritime laws of Oleron, and in Holland for a year and a-half,) that if any man can prove a property in them, either by his own right or by right of representation, they shall be restored to him without delay; but if no such property be proved within that time, they then shall be the king's. If the goods are of a perishable nature the sheriff may sell them, and the money shall be liable in their stead.—*Plowden*, 166.

"This revenue of wrecks is frequently granted out to lords of manors, as a royal franchise; and if any one be thus entitled to wrecks in his own land, and the king's goods are wrecked thereon, the king may claim them at any time, even after the year and a day."

The Association may here observe, that barbarous as the ancient laws and usages were, which gave the property of shipowners and merchants to the king, which a storm or careless, perhaps treacherous, mariners, or other causes over which they had no control, might occasion to fall within the grasp of the revenue laws, they were not more barbarous, more inconsistent with justice, more abhorrent to moral sense, than the present revenue laws, which confiscate the property of shipowners or merchants, because of the acts of careless and treacherous servants, over whom they have no control—their ships being loaded on the shores of other oceans, thousands of miles removed from their supervision. It is an astounding fact that even in the present day upwards of *four hundred* vessels per annum are seized under the revenue laws in the port of Liverpool alone, and fined or confiscated, as the case may be, for the acts of persons as little under the control of the owners or merchants as the sea storms, or breach of duty, or breach of trust, which made ships and cargoes a legal perquisite of the Crown in the times and under the laws which we presumptuously call *barbarous*, and erroneously speak of as *past*.

Mr. Justice Blackstone continues (on the law of wrecks as relating to the crown and public revenue) thus:—

"In order to constitute a legal wreck, the goods must come to land. If they continue at sea, the law distinguishes them by the barbarous and uncouth appellations of *jetsam*, *flotsam*, and *ligan*. *Jetsam* is where goods are cast into the sea, and there sink and remain under water; *flotsam* is where they continue swimming on the surface of the waves; *ligan* is where they are sunk in the sea, but tied to a cork or buoy, in order to be found again. These are also the king's if no owner appears to claim them; but if any owner appears he is entitled to recover the possession. * * Thus, by the king's grant to a man (lord of the manor or other) of wrecks, things, jetsam, flotsam, and ligan will not pass."

(*To be continued.*)

FINANCIAL REFORM TRACTS.

No. 28.

HISTORICAL REVIEW OF THE FISCAL SYSTEM.

SECTION I.

THE ANCIENT ORDINARY REVENUES OF THE CROWN.

(Continued from No. 27.)

The ancient laws seem to have been always severe and stringent enough to repress the populace from the plunder of wrecks, or from making wrecks by conspiracy or treachery—the privilege to plunder, or confiscate, or reduce to wreck was reserved for the Crown, and that only on the pretence of guarding the property of shipowners and merchants fairly afloat. A perusal of the tracts of the Association, so far as they relate to the practices of the port of Liverpool, will inform the reader that even the average of four hundred vessels per annum seized and fined, or confiscated in that port, is but the outward symptom, the sign seen, of the monstrous injustice and corruption working unseen in the commercial system, that system being morally corrupted by the inoculation of the revenue laws. Not only are vessels wrecked in port to the owners by laws as unjust as those which Blackstone congratulates the country on having abrogated; but it is believed that the owners are exposed to conspiracies (which seldom come to light) as immoral as those which the populace are prohibited by criminal law from entering into to decoy vessels to wreckage. The bribes which owners must pay if they would avoid seizure of their vessels; the conspiracies to place on board contraband articles which shall make the vessel at least liable to seizure, in the hope of procuring such bribes, or “gratifications” from fines, if seizure ensues, are part of a system necessarily secret and dark, yet ever in operation, and inexpressibly oppressive and pernicious. Unlike the ancient laws relating to wrecks, the present revenue law which secures the spoil to the crown, exposes the ships and cargoes, yet safe, to the conspiracy and secret plunder of any one initiated in the mystery of smuggling, and dishonest enough to conspire to smuggle for a trap.

For this frightful oppression there is no cure, can be none, but the abrogation of the whole customs' establishment, and the substitution of simple, direct taxation.

Another branch of the ancient revenue was the royal right to *mines*; but the mines were only those of silver and gold; yet, if gold or silver were found in mines of other metal, the whole of the other metal was held, by some lawyers, to belong to the king; while others held that it did not do so, if the quantity of gold or silver were of greater value than the quantity of base metal. But by the statutes 1st and 5th William and Mary (a part of various laws enacted in that reign to facilitate the borrowing of money by the transfer of royal rights, and to facilitate the imposition of taxss on the industry of the people by the transfer of public property and privileges to private individuals), by these acts it was provided that “no mines of copper, tin, iron, or lead, shall be looked upon as royal mines, notwithstanding gold or silver may be extracted from them in any quantities.”

Treasure-trove (from the French word *trover*, to find) was also an ancient revenue of the Crown, and formerly more abundant than now. In wars the treasure was hidden, and often the secret died with the owner. But money found exposed upon

the surface of the earth or in the sea was not supposed to be hidden; it was supposed to have no owner, if he did not appear to claim it, and belonged to the finder. Those who concealed the discovery of hidden treasure were punishable with death, and are still liable to fine and imprisonment. *Treasure-trove* is one of the rights of the Crown now abandoned to the lords of manors.

Waifs, goods stolen and waived, or thrown away by the thief in his flight, were another, though, probably, a very slender branch of the royal revenue. "These are given to the king by the law," says Blackstone, "as a punishment upon the owner for not himself pursuing the felon and taking away the goods from him; and, therefore, if the party robbed do his diligence immediately to follow and apprehend the thief (which is called making fresh *suit*), or do convict him afterwards, or procure evidence to convict him, he shall have his goods again. Waived goods do also not belong to the king till seized by somebody for his use; for, if the party robbed can seize them first, though at the distance of twenty years, the king shall never have them. * * * The goods of a foreign merchant, though stolen and thrown away in flight, shall never be waifs, the reason whereof may be, not only for the encouragement of trade, but also because there is no wilful default in the foreign merchant not pursuing the thief, he being generally a stranger to our laws, our usages, and our language."

Next follow, as royal or manorial revenue, *estrays*, being "such valuable animals as are found wandering in any manor or lordship, and no man knoweth the owner of them, in which case the law gives them to the king. They now most commonly belong to the lord of the manor, by special grant of the Crown. In order to vest an absolute property in the king, or his grantees, they must be proclaimed in the church, and two market towns adjoining to the place where they are found; and then, if no man claims them after proclamation and a year and a day passed, they belong to the king or his substitute without redemption, even though the owner were a minor, or under any other legal incapacity. * * The king or lord hath no property till the year and day be passed; for if a lord keepeth an *estray* three-quarters of a year, and within the year it strayeth again and another lord getteth it, the first lord cannot take it again. * * Swans may be *estrays*, but not any other fowl, whence they are said to be royal fowl."

The next branch of the ordinary revenues of the Crown consists of *forfeitures of lands and goods* for offences. Nearly all the land of the kingdom has at some time fallen to the Crown, under this law of forfeiture; and probably the greatest offence to society relating thereto was the re-granting of it again to other owners, regardless of public interests.

Deodands formed another branch of the Crown revenues, but only since the period of the Protestant Reformation. Before that they were applied to religious services for the souls of those who were suddenly deprived of life, through or by the article or thing which was subjected to *deodand*. In the same manner the apparel of a stranger found dead was applied to masses for the good of his soul.

"*Deodands*," says Blackstone, "and forfeitures in general, as well as wrecks, treasure-trove, royal fish, mines, waifs, and estrays may be granted by the king to particular subjects, as a royal franchise; and, indeed, they are for the most part granted out to the lords of manors or other liberties, to the perversion of their original design."

Escheats form another part of the Crown revenues, but in modern times they seldom occur with regard to land. Considerable sums of funded property fall as escheats, for want of heirs or claimants to its inheritance. This arises from the secrecy of the bank accounts.

Idioty was formerly productive of revenue to the Crown. When a man by a writ of *de idiota inquirendo* was found to be legally idiotic, beyond hope of recovery, his property fell to the Crown; but to avoid this, for the sake of relatives, the legal fiction arose of finding him *non compos mentis* from a certain date, and up to the time of giving the verdict. By this the question of confirmed idioty was avoided, and the property saved to the owner, if he recovered, or to the heirs.

These are the whole of the *ordinary* branches of the ancient revenue; the *extraordinary* fall next to be noticed.

SECTION II.

PERSONAL SERVICE RENDERED FOR FEES IN LAND.

The *ordinary* revenues of the Crown were particularised in last section, namely, property belonging to the Crown by inheritance. The *extraordinary* revenues are grants, or *supplies*, formerly raised according to the exigencies of the times or power of the kings, and now voted by the House of Commons. Practically speaking, all the taxes come under the head of *extraordinary* revenue; it is not necessary, therefore, to repeat the distinction, as it may confuse the mind of the reader.

To trace the origin of the taxes, it is necessary, first, to recite the ancient tenures of real property. In them taxes were first imposed in shape of service to the sovereign; or, as it would now be expressed, service to the state.

Not to dwell unnecessarily among legal authorities, it may be enough to say that the most esteemed of them agree in this, that land was allotted to private persons, because it might become a dangerous power if left in possession of the sovereign, or disastrous to society if left open to any or every occupant. In all cases of allotment the king (or, as we should now say, the *state* or *public treasury*) was lord paramount, reserving certain payments and personal services for the privilege of occupancy. In short, there were no owners of land in England until comparatively recent times; all were tenants in some degree or other, holding under the king (or state). Blackstone introduces his inquiry into the origin of real property in England thus:—

“Almost all the real property of this kingdom is, by the policy of our laws, supposed to be granted by, dependent upon, and holden of, some superior lord, by and in consideration of certain services to be rendered to the lord by the tenant or possessor of this property. The thing holden is, therefore, styled a *tenement*, the possessors thereof *tenants*, and the manner of their possession a *tenure*. Thus, all the land in the kingdom is supposed to be holden mediately or immediately of the king, who is styled the Lord Paramount, or above all. Such tenants as held under the king immediately, when they granted out portions of their lands to inferior persons, became also lords with respect to those inferior persons, as they were still tenants with respect to the king, and thus, partaking of a middle nature, were called *mesne* or middle lords. So that if the king granted a manor to A, and he granted a portion of the land to B,—now B was said to hold of A, and A of the king; or, in other words, B held his lands immediately of A, but mediately of the king. The king, therefore, was styled Lord Paramount. A was both tenant and lord, or *mesne* lord, and B was called tenant *paravail*, or the lowest tenant, being he who was supposed to make *avail* or profit of the land.

“In this manner are all the lands of the kingdom holden which are in the hands of subjects; for, according to Sir Edward Coke, in the law of England, we have not properly *allodium*, which is the name by which the feudists abroad distinguish such estates of the subject as are not holden of any superior. So that, *at the first glance, we may observe that our lands are either plainly feuds or partake very strongly of the feudal nature.*”

Which ancient and long-prevalent condition of land entitles those who are landless, and upon whom chiefly the burden falls of supporting the public service in the nineteenth century, to inquire why the land does not now bear the burdens of the state? Perhaps also it may be inquired if neglect of duty can become a property to be protected and perpetuated as a sacred right? In all things else, is it not held that a duty neglected, a contract broken, becomes reprehensible more and more, less to be excused as it continues unamended? Is it said the original defaulters are not now answerable, being long ago called to another judgment? It is answered that the institution of unperformed public duty, which they created, remains. But of that question hereafter. The nature of the public services which were to be rendered (not by the duration of *their lives*, but by the *ever-enduring land*) are first to be traced.

Those who held immediately from the king were tenants *in capite*, or in chief, and were highest in dignity.

There were four principal species of lay tenures, to which all others may be reduced, the grand criteria of which were the nature of the several services, or *renders* that were due to the lords from their tenants; the services in respect of

their quality were either *free* or *base* services ; in respect of their quantity and time of executing them were either *certain* or *uncertain*.

Free services were such as were not unbecoming the character of a soldier or a freeman to perform ; as to serve under the lord in the wars, to pay a sum of money, and the like. *Base* services were such as were only fit for peasants or persons of a servile rank ; as to plough the lord's land, to make his hedges, to carry out his dung, or other mean employments. The certain services, whether free or base, were such as were stinted in quantity, and could not be exceeded on any pretence ; as to pay a stated annual rent, or to plough such a field for three days. The *uncertain* depended upon unknown contingencies ; as to do military service in person, or pay an assessment in lieu of it when called upon ; or to wind a horn whenever the Scots invaded the realm ; which are free services ; or to do whatever the lord should command, which was a base or villein service.

The first, most general, and esteemed the most honourable species of tenure was that by knight service. A determinate quantity of land was necessary for this service, called a *knight's fee*. Blackstone states it to have been twelve *ploughlands* in quantity ; and (reigns of Edwards I. and II.) £20 in value. This is obviously a mistake, as one quantity of land could not be of one value irrespective of fertility or situation. Mr. Hallam ("History of the Middle Ages") and some other authorities (Lyttleton, &c.) state it to have been any number of acres which sustained the charges of a knight, but those charges must have varied with the circumstances of the service. 800 acres are mentioned, also 680, and other quantities ; and those two quantities of 800 and 680 acres are variously spoken of as worth £15, £20, and £40. But our interest now is with the service rendered by a knight for his fee of 800 or 680 acres of land, rather than the value in money of such land.

Mr. Hallam says—"It was a breach of faith to divulge the lord's counsel, to conceal from him the machinations of others, to injure his person or fortune, or to violate the sanctity of his roof and the honour of his family. In battle he was bound to lend his horse to his lord when dismounted, to adhere to his side while fighting, and to go into captivity as a hostage for him when taken. His attendance was due to the lord's courts, sometimes to witness and sometimes to bear a part in the administration of justice."

A knight's fee imposed a military service in the field of forty days in each year ; half a knight's fee, twenty days ; and a quarter knight's fee, ten days : but those periods were nominal. Wherever the king required the lords to be, or the lords the knights to be, in cases of war, they were bound to serve ; and their civil services were not less burdensome in a pecuniary sense ; their tenure subjected them to *aids*, *reliefs*, *primer seisin*, *wardship*, *marriage*, *fines for alienation* and *escheat*, all of which it is necessary to pass in review to comprehend the duty which land owes the state for the maintenance of the public service.

Aids were originally mere "benevolences," granted by the tenant to his lord in times of difficulty and distress, but, in process of time, they grew to be considered as a matter of right, and not of discretion. These aids were principally three : first, to ransom the lord's person if taken prisoner. The neglect of this ransom, when it was in the tenant's power to perform it, was held to be a forfeiture of the land. Second, to make the lord's eldest son a knight, a matter attended with great ceremony, pomp, and expense. "This aid," says Blackstone, "could not be demanded till the heir was fifteen years old, or capable of bearing arms, the intention of it being to breed up the eldest son and heir-apparent of the seignior to deeds of arms and chivalry for the better defence of the nation." The third aid was "to marry the lord's eldest daughter, by giving her a suitable portion, for daughters' portions were in those days extremely slender, few lords being able to save much out of their income for this purpose." The aids for marriage became due when the daughter was seven years of age, and if the knight died before she was married she could recover the aids from his executors. "From bearing their proportion to those aids no rank or profession was exempted ; even the monasteries, till the time of their dissolution, contributed to the knighting of their founder's male heir (of whom their lands were holden) and the marriage of his female descendants."

The amount of the aids for knightage and marriage of the lord's son and daughter were restricted by the act 1st Edward I. to 20s. for a knight's fee, and to

20s. for every £20 value of *socage* land. This last species of tenure derived its name from the *soc* (or sole) of the plough; *socage* tenure was the condition of holding land to plough it, and to plough the lord's land as rent. The aid for ransom necessarily varied according to exigencies; indeed, the aids varied both before and after the act of Edward I.: the rule was the power of the lord to exact, and the ability of the feudal tenant to pay. "*Aids*," says the "Political Dictionary," "is a general name for the extraordinary grants which are made by the House of Commons to the Crown for various purposes. In this sense *aids*, *subsidies*, and the modern term *supplies*, are the same thing. The aids (of the feudal tenures) were the origin of the modern system of taxation."

Reliefs were the next burdens incident to the feudal tenure. These were fines paid to the lord for taking up the estates which were lapsed or fallen in by the death of the last tenants. "Though reliefs had their original while feuds were only life estates, yet they continued after feuds became hereditary, and were, therefore, looked upon very justly as one of the greatest grievances of tenure, especially when at first they were merely arbitrary and at the will of the lord; so that if he pleased to demand an exorbitant relief, it was in effect to disinheret the heir."—(*Wright*, 99.)

"The English ill brooked this consequence of their new adopted policy, and therefore William the Conqueror by his law *ascertained* the relief by directing (in imitation of the Danish heriots) that a certain quantity of arms and habiliments of war should be paid by the earls, barons, and vassours respectively; and if the latter had no arms they should pay 100s. William Rufus broke through this composition, and again demanded arbitrary uncertain reliefs as due by the feudal laws, thereby in effect compelling every heir to new purchase or *redeem* his land; but his brother Henry I., by the charter before mentioned, restored his father's law, and ordained that the relief to be paid should be according to the law so established, and not an arbitrary redemption. But afterwards, by an ordinance in 7th Henry II., called the assize of arms, it was provided that every man's armour should descend to his heir, *for defence of the realm*; and it thereby became impracticable to pay these acknowledgments in arms, according to the laws of the Conqueror, the composition was universally accepted of 100s. for every knight's fee. But this relief was only then payable if the heir, at the death of his ancestor, had attained the full age of twenty-one years."—(*Glanville, Lyttleton, Blackstone, &c.*)

But why was it only payable by the heir of full age? Because every minor became the *ward* of the lord superior, and the estate went to the lord until the attainment of full age. In the case of those who held knight's fees immediately from the king, one year's profits of the fee of land was paid after the attainment of majority. The right of the king (or state) to this tax upon land was called *primer seisin*.

The next condition on which land was granted to private persons was *primer seisin*. This was only incident to the king's tenants *in capite* (holding in chief, with no intermediate lord). It was a right which the king had when any of his tenants *in capite* died seized of (possessed of) a knight's-fee to receive of the heir (provided he were of full age) one whole year's profits of the lands, if they were in immediate possession, and half a year's profits if the lands were in reversion, exceptant on an estate for life.—(*Coke on Littleton.*)

"This," says Blackstone, "seems to be little more than an additional *relief*, but grounded upon this feudal reason—that by the ancient law of feuds, immediately upon the death of a vassal, the superior was entitled to enter and take seisin, or possession of the land, by way of protection against intruders, till the heir appeared to claim it and receive investiture, during which interval the lord was entitled to take the profits; and unless the heir claimed within a year and a day, it was, by the strict law, a forfeiture. This practice, however, seems not to have long obtained in England, if ever, with regard to tenure under inferior lords; but as to the king's tenures *in capite*, the *prima seisin* was expressly declared under Henry III. and Edward I. to belong to the king by prerogative in contradistinction to other lords. The king was entitled to enter and receive the whole profits of the land till livery was sued, which suit being commonly made within a year and a day next after the death of the tenant, in pursuance of the strict feudal rule, therefore, the king used to take as an average the *first fruits*, that is to say, one year's profits of the land; and this, afterwards, gave a handle to the popes, who claimed to be

feudal lords of the church, to claim in like manner from every clergyman in England the first year's profits of his benefice."—*Commentaries, Book II., chap 5.*

Next came *wardships*. The foregoing payments were only due if the heir were of full age. If under twenty-one, being a male, or fourteen, being a female, the lord was entitled to the *wardship* of the heir, and was called the guardian in chivalry. This consisted in having the custody of the body and lands of such heir without any account of the profits till the age of twenty-one in males; "for the law supposed the heir-male unable to perform knight service till twenty-one; but as for the female, she was supposed capable at fourteen to marry, and then her husband might perform service."

Observe how directly every arrangement had *service* (defence of the country, the commonweal of the state) in view in the disposal of the land; the female heir could legally marry at fourteen, not that she might enjoy property, not because the "rights of property" were allparamount, but that her husband *might perform service for the state.*"

"The lord, therefore, had no wardship if at the death of the ancestor the heir-male was at the full age of twenty-one, or the heir-female of fourteen; yet, if she was then under fourteen, and the lord once had her in ward, he might keep her so till sixteen, by virtue of the statute 3rd Edward I., the two additional years being given by the Legislature for no other reason but merely to benefit the lord. * * The wardship of the land, or custody of the feud, was retained by the lord *that he might*, out of the profits thereof, *provide a fit person to supply the infant's services*, till he should be of age to perform them himself. And if we consider the feud in its *original import as a stipend, fee, or reward for actual service*, it could not be hard that the lord should withhold the stipend so long as the service was suspended."—(*Blackstone.*)

In process of time the service, or a tax to pay for its performance, was shifted from land to trade and industry; and the "stipend, fee, or reward," granted for services, not now performed by the landowners, still remain with those who, as a class, have had the legislative power to place the burden of such services elsewhere.

"When the heir arrived at the age of twenty-one, or the heir-female at sixteen, they might sue out their livery or *ousterlemain*—that is, the delivery of their lands out of their guardian's hands. For this they were obliged to pay a fine, namely, half a year's profit of the land, though this seems expressly contrary to *magna charta*. * * In order to ascertain the profits that arose to the Crown by those first fruits of tenure, and to grant the heir his livery, the itinerant justices, or justices in eyre, had it formerly in charge to make inquisition concerning them by a jury of the county, commonly called an *inquisitio post mortem*, which was instituted to inquire at the death of any man of fortune the value of his estate, the tenure by which it was holden, and who and of what age his heir was; thereby to ascertain the relief and value of the *primer seisin*, or the wardship, and livery to the king accruing thereon, a manner of proceeding that came in process of time to be greatly abused, and at length an intolerable grievance, it being one of the accusations against Empson and Dudley, the wicked engines of Henry VII., that by colour of false inquisitions they compelled many persons to sue out livery from the Crown who by no means were tenants thereunto. And afterwards a court of wards and liveries was erected for conducting the same inquiries in a more solemn and legal manner."—(*Coke.*)

"When the heir thus came of full age, provided he held a knight's-fee *in capite* under the crown, he was to receive the order of knighthood, and was compellable to take it upon him, or else pay a fine to the king; for, in those heroic times, no person was qualified for deeds of arms and chivalry who had not received this order, which was conferred with much preparation and solemnity. * * * This prerogative of compelling the king's vassals to pay a fine (we at present quote Blackstone, but Lord Coke says this prerogative was not confined to the king's vassals), was expressly recognised in Parliament by the statute *de militibus*, 1st Edward II., and was exerted as an expedient for raising money of our best princes, particularly by Edward VI. and Queen Elizabeth, but yet was the occasion of heavy murmurs when exerted by Charles I., among whose many misfortunes it was that neither himself nor his people seemed able to distinguish between the arbitrary stretch and the legal exertion of prerogative. However, among the

ther concessions made by that unhappy prince before the fatal recourse to arms, he agreed to divest himself of this undoubted flower of the Crown, and it was accordingly abolished by statute 16, Car. I., c. 20."

Marriage was the next burden attached to a tenement of land. This was called the "right of marriage as contradistinguished from matrimony." The guardian had the power of tendering the ward a suitable match "without *disparagement* (or inequality), which, if the infants, male or female, refused, they forfeited the value of the marriage to their guardian—that is, so much as a jury would assess, or any one would *bonâ fide* give to the guardian for such an alliance!" If the infants married themselves without the guardian's consent, they forfeited double the value—"that is," says Coke, "after a suitable match had been tendered by the ord. In the case of a tender and refusal, and no marriage elsewhere, the lord had the single value." Female heirs were not subject to the double value.

"This," remarks Blackstone, "seems to have been one of the greatest hardships of our ancient tenures. There were, indeed, substantial reasons why the lord should have the restraint and control of the ward's marriage, especially his female ward; because of their tender years, and the danger of such female ward's intermarrying with the lord's enemy," (might not peace and friendship have followed?) "but no tolerable pretence could be assigned why the lord should have the sale or value of the marriage." The reason was, that the lord *had power* to levy money by the pretence of providing against his enemy or the country's enemy; and then, as now, it was the interest of persons thus privileged to discourage the harmonies of human nature, which subdue enmities, which promote peace, and make taxes little, or at all events less necessary, and, instead, to enlarge the taxes for the defence of the country."

"In the often-recited charter of Henry I., he engages for the future to take nothing for *his* consent" (to the marriage of the female wards). "But this among other parts of that charter being disregarded, and guardians still continuing to dispose of their wards in a very arbitrary, unequal manner, it was provided by King John's great charter, that heirs should be married without disparagement, the next of kin having previous notice of the contract. But these provisions in behalf of the relations were omitted in the charter of Henry III."—(*Blackstone.*)

From an ambiguity of expression in this last charter, the kings and lords afterwards "claimed the marriage" of male as well as of female heirs; "and afterwards the right of selling the ward in marriage, or else reserving the value of it (the marriage), was expressly declared by the statute of Merton (20th Henry III.) which is the first direct mention of it which I have met with in our own or any other law."—(*Ibid.*)

Littleton, to show how fruitful those wardships and marriages were to the Crown, mentions various instances, of which the following are two:—John, Earl of Lincoln, gave Henry III. 3,000 marks to have the marriage of Richard de Clare for the benefit of Matilda, his eldest daughter. Simon de Montford gave the same King 10,000 marks to have the custody of the lands and heir of Gilbert de Unfraville, with the heir's marriage, a sum equivalent to £100,000 at present."

"This guardianship," says Lord Coke, "being deemed more an interest for the profit of the guardian than a trust for the benefit of the ward, was saleable and transferable like the ordinary subjects of property, to the best bidder, and if not disposed of, was transmissible to the lord's personal representatives. Thus the custody of the infant's person, as well as the care of his estate, might devolve upon the most perfect stranger to the infant; one prompted by every pecuniary motive to abuse the delicate and important trust of education, without any ties of blood or regard to counteract the temptations of interest, or any sufficient authority to restrain him from yielding to their influence." Upon which, the editors of "Blackstone" remark:—"One cannot read this without astonishment, that such should continue to be the condition of the country till the year 1660, which, from the extermination of these feudal oppressions, ought to be regarded as a memorable era in the history of our law and liberty." Granted; these laws were oppressive, but they had grown up as conditions upon property to support the state. In effecting their suppression for the benefit of personal freedom, there was the more reason that the holders of land should give the state an equivalent. There was an imperfect equivalent engaged to be paid, but, as will be seen hereafter, it has fallen into

a fractional tax upon land. In Liverpool it is *one-ninth of a farthing* in the 20s. of the yearly valuation of 1843.

Fines for alienation were the next burdens which the feudal law imposed upon land; these were levied whenever the tenant found it necessary to make over his land to another, "It not being reasonable or allowed that a feudatory should transfer his lord's gift to another, and substitute a new tenant to do the service in his own stead without the consent of the lord." By the statute 1st Edward III. it was settled that one-third of the yearly value should be paid (to the king) for a licence of alienation; but if the tenant presumed to alienate without a licence, a full year's value should be paid.

The *escheat* was the last burden attaching to land held by knight's-fee. This was the extinction of the family of the tenant-in-fee, either by natural or civil means. If he died without heirs of his blood, or if his blood were corrupted and stained by commission of treason or felony, "whereby every inheritable quality was entirely blotted out and abolished."—"In such cases the lands *escheated*, or fell back to the lord of the fee—that is, the tenure was determined by breach of the original condition expressed or implied in the feudal donation." *Service* was the leading principle in the grant of the fee; if *service* ceased to be rendered to the lord, through the lord to the king, through the king to the country, the fee at once lapsed and reverted to the lord, to be conferred on another, who could render the country due service."

Escuage was a form in which any of the military services, already explained, or all of them, were compounded for in money. This, in time, grew into the yet existing land-tax, and requires special and particular investigation.

SECTION III.

TENURES OF LAND (*Concluded.*)

In continuation of the land tenures by military service we arrive at *escuage*, from a Norman-French word, signifying payment of money.

The military services by which land was held, whether by knight-chivalry or grand-sergeantry, were all personal and uncertain as to their quantity or duration. Being troublesome in many respects, the tenants found means of compounding for them; first, by sending others in their stead, and subsequently making a pecuniary satisfaction in lieu of them. This pecuniary satisfaction at last came to be levied by assessments at so much for every knight's fee. The first time this pecuniary compensation was taken seems to have been in the fifth year of Henry II., on account of his expedition to Toulouse, but it soon became so universal that personal attendance fell into disuse.

"Hence," says Blackstone, "we find in our ancient histories, that from this period, when our kings went to war they levied scutages (*scutage*, from the Latin; *escuage*, French; *pecuniary tax*, English) on their tenants—that is, on all the landholders of the kingdom—to defray their expenses and to hire troops; and these assessments were made arbitrarily and at the king's pleasure; which prerogative being greatly abused by his successors, it became matter of national clamour; and King John was obliged to consent, by his *Magna Charta*, that no scutage should be imposed without consent of Parliament. But this clause was omitted in his son Henry III.'s charter, where we only find that scutages, or *escuage*, should be taken as they were used to be taken in the time of Henry II.—that is, in a reasonable and moderate manner. Yet afterwards, by statute 25 Edward I., and many subsequent statutes, it was again provided that the king should take no *aids* or *tasks* but by the common assent of the realm; hence it was held, in our old books, that *escuage*, or *scutage*, could not be levied but by consent of Parliament; such scutages being, indeed, the groundwork of all succeeding subsidies, and the land-tax of later times."—*Commentaries, Book II., chap. 5.*

Thus we have it sufficiently proved that the origin of private property in land was service to the state, and that the military service was commuted for a money-tax, else property in land ceased in the tenant and reverted to the state for defence of the country.

But as there were other than military tenures, it may be useful to glance at

them; for in them we shall also see private property in land created only on condition of doing service to the state in person of the king, or other superior lords. Those services we shall also see to have been commuted for money payments. They were several in degree, but all resolved into the general term *socage*, a bondage to plough or otherwise cultivate the land of the superior lord, the king, or state, to enable such superior the better to devote himself to the *defence* or other *service* of the kingdom.

Socage, as we may readily suppose, was more early, because more easily commuted into a money-tax than the military tenure of personal service. The position of those tenants who held by *socage* was so enviable compared with that of the military tenants, that the latter were happy to become *socage* tenants whenever they could effect the transfer, even though degraded in society by so doing. Hence *socage* tenure became the most common of all. There was *free socage* and *villein socage*; the former honourable to do service by deputy, or free from the necessity of "base" service; the latter a liability to perform the meanest personal offices. Nearly all handicrafts were at first "base" services. *Socage* came in time to express any kind of tenure which was *certain*.

Petit serjeanty was one of its varieties; such as the holding of land on the terms of paying some implement of war or other certain thing to the king. This is distinguished from *grand serjeanty*, which involved military and personal service. The tenure of both grand and petit serjeanty still in part survives; as that which embraces personal attendance on the sovereign at the coronation or great public occasions, a service very willingly rendered now-a-days. But those portions of the tenure which are implied in the *grand* military service, and in the *petit* base service, were commuted for a money payment; so that he who holds his land, be he Duke of Norfolk, the head serjeant, or Mr. Dymock, the champion, and pays not the commutation tax (which neither do), have no good legal title to their estates, though they do attend on the sovereign on great occasions when required.

Burgage tenure was a form of *socage* which has given rise to controversy; for, say some, if *socage* mean plough service, how can it apply to the land on which a house is built within a walled town? But *socage* was the first tenure to be rendered certain into a money tax, and *burgage* was called *socage* because held for a certain fixed money payment. *Borough English* was a form of the *burgage* tenure under which property descended to the youngest and not to the eldest son; the reason being, according to some, that on those lands where *borough English* prevailed, the lord had the right of lying with the tenant's wife on the wedding night; and that, "therefore," says Blackstone, "the tenement descended not to the eldest but to the youngest son, who was more certainly the offspring of the tenant. But," continues he, "I cannot learn that ever this custom prevailed in England, though it certainly did in Scotland till abolished by Malcolm III."

But Blackstone's information seems to have been limited on this question. The manors of Ford, Cumdower, Wem, and Loppington in Staffordshire; of Bishop Hampton, Herefordshire; of Havenham, Sussex; of Maldon, Essex; Skidby, East Riding of Yorkshire, and several others, are held by this tenure, or were before it was commuted for a money tax, which tax has long remained in arrear.

"Other special customs there are in different *burgage* tenures; as that, in some, the wife shall be endowed of *all* her husband's tenements, and not of the third part only, as at common law; and that in others a man might dispose of his tenements by will, which, in general, was not permitted after the conquest till the reign of Henry VIII."—*Commentaries, Book II.*

Gavel kind was another species of free *socage*. Several estates of land are still held on this tenure, particularly in Kent. It is supposed that before the Norman conquest *gavel kind* was the general custom of the realm. Some of its peculiarities are, that the tenant is of age, and entitled to alienate the land, at fifteen years old; that the estate does not escheate to the Crown on conviction for felony or attainder; the father may be hanged, but the son succeeds—hence their motto, "The father to the bough, the son to the plough" In most places the owner could devise the estate by will before the law for that end was made. The lands descend (if there be no will) not to the eldest, youngest, or any one son, but to all the sons together,

The tenure by *socage*, besides the certain fixed payments to which it was com-

muted, still remained liable, like knight service, to *aids* for knighting the son or marrying the lord's daughter. These were abolished by the statute 12th Charles II., when the excise was granted on beer instead.

Reliefs were also paid by socage tenure. The relief under military tenure (a payment by the successor to the land on death of former tenant) was £5, or one quarter of the supposed value of the land; but by socage tenure it was one year's additional rent; and by the latter it was due whether the heir were of full age or not, whereas in the former it was only due if the heir were of full age; but in socage the king had no wardship, as in the other. This *relief*, of one year's rent payable to the Crown, or public treasury, by the heir, was reserved by the 12th Charles II., and Blackstone says *is still due at common law*. It does not appear to have been abrogated by any statute since Blackstone's time. So that besides the legacy duty, which should of right be paid by the heirs of landed estates, but is not, there is this year's additional rent payable to the Crown by heirs to land held on socage tenure. But as the law says additional, or double rent for one year, we ask where is the single rent paid to the Crown, or State?

Marriage, like wardship did not yield a revenue to the lord or king as under military tenure. The ward could marry at the age of fourteen, and if the guardian married him younger he was bound to account for the proceeds of the estate when the ward became of age.

Fines for alienation (sale of lands) were due to the king under socage tenure, but were abrogated by the 12th Charles II., and transferred to an excise on beer.

Escheats were the right of the Crown (and remain) in socage as in military tenure, except in cases of *gavelkind*, as already explained; but if the estate in *gavelkind* become escheated for want of heirs, it also falls to the Crown.

At the restoration, 1660, all military tenures were converted into free and common socage.

The modern *copyhold* tenure arose out of *villein* socage. Its name came from "copy of court roll," the roll kept in the lord's manor court. Manors were of this kind: the lord reserved for himself as much land around his dwelling as his villeins could cultivate or his retinue might require; the rest he granted on the tenures already described, military and free socage, which was called *book land*, because the tenure was written in a book. Other land was called *folk land*, because occupied by the common folk; the rest was called the *lord's waste*. From the folk land the occupiers were latterly removed at the will of the lord. But in the Saxon times *folk land* was held to be inalienable from the common folk; it was, as the name signifies, *the people's land*. More recently, in the feudal era, these "common folk" were called *villeins*, and were transferred with the land as goods and chattels. It is uncertain from whence the term *villein* came; but it implied personal bondage. In process of time, by aid of the clergy and otherwise, villeins gained their freedom, many of whom still remained on the land, which had at first been given for a subsistence to bondmen. Different lords had different customs in their manor courts; but each of the folk occupying folk land, when set free personally, were required to inscribe their adhesion to the customs of the manor, in presence of the steward, upon a copy of the court roll, and so in time were called copyholders. "Thus," says Lord Coke, "copyhold tenures, although very meanly descended, yet come of an ancient house." Blackstone says, "copyholders are in truth no other but villeins, who by a long series of immemorial encroachments on the lord, have at last established a customary right to those estates which before were held absolutely at the lord's will; which affords a very substantial reason for the great variety of customs that prevail in different manors with regard both to the descent of the estates and the privileges belonging to the tenants."

Another species of tenure resembling copyhold, in so far as property held under it can only be sold by the holder resigning it to the lord, and by the lord granting it out again, was that of *villein socage*. It seems to have had its origin in the king's ploughmen, who specially ploughed his land. Unlike free socage and military tenure, it was not enfranchised by the 12th Charles II., but, like copyhold, remains liable to all the fines, reliefs, and so forth, which were once paid under military and free socage, as already explained.

There remains one other tenure, *frankalmoin*, or *free alms*. This is ecclesiastical;

it is where a religious corporation hold land of a donor, bequeathed to them and successors for ever. The service rendered for such lands was to pray for the soul of the donor, dead or alive.

Tenure, by "divine service, was of a higher and more exalted nature." This was the tenure by which the ancient monasteries and religious houses held their lands, and by which the parochial clergy and most of the charitable and ecclesiastical foundations hold them at this day. The repair of highways, building of castles, and repelling of invasion, were the only contributions to which land held on frankalmoign was liable. *Tenure by divine service* was that which enjoined a certain number of masses or prayers to be said, and which, unperformed, left the lord at liberty to come in and distrain. But frankalmoign differs in so far as the holders of the land are free to give or withhold public religious service; they are only expected to say prayers for the soul of the donor.

Having briefly glanced at the various tenures upon which land was or still is held, the association will now give a summary of the taxes levied under those tenures.

The first historically known tax was levied in the reign of Ethelred II., from 1,000 to 1,013, called *Danegelt*, a subsidy to pay the Danes (who had invaded the country) to go away. Naturally, when they found the English soft enough to yield to this payment, they returned. Again they were paid to go away, and again they returned. Then, as now, there was no backwardness in drawing taxes, with or without a right to them, so long as the Saxon consented to pay.

SECTION IV.

TAXES LEVIED FROM THE YEAR 991 TO 1399.

A summary of the taxes levied in England, so far as recorded in history, presents us with some curious and instructive facts.

The *Danegelt* was levied first in the reign of Ethelred II.; in 991, £10,000; in 999, £30,000; in 1003, £36,000; in 1012, £48,000. These sums failed in their purpose; the Danes returned to, and remained in England; the English king left the country, to the grief of his subjects. Afterwards (1014) he returned, to their great joy; but he began to tax them for his own avarice, and incited them to indignation, almost to a preference of the Danes.

1017. Canute, the Dane, was king. He exacted a sum of £100,000 in one year to pay his Danish troops. In 1018, £82,000 was raised, whereof the land-tax paid by the city of London was £11,000.

1039. A heavy tax, "which rendered King Harold unpopular." No further particulars.

1040. Hardacanute, a Dane, was king. A heavy tax was imposed to defray the expenses of the Danish fleet.

1041. A second tax, amounting to £29,029, and another to £11,048, which occasioned an insurrection in Worcestershire, and the collectors (November 12th) were killed; the country laid waste by the king as a punishment.

1051. The *Danegelt*, after having been paid for thirty-eight years, and which formed a considerable part of the royal revenue, was remitted by Edward the Confessor who was now king.

Harold, the successor of the Confessor, is not mentioned in connection with taxes. William I., the Conqueror, successor of Harold, became sovereign in 1066; died, 1087. He held, as crown lands, 1422 manors, besides many farms and lands in Middlesex, Shropshire, and Rutlandshire. He laid waste the country for an extent of thirty miles in Hampshire as a hunting ground, and called it The New Forest. His fixed annual income, exclusive of fines, escheats, reliefs, and other casual profits, was computed at £400,000. A pound in that age contained three times the weight of silver that it does now, and the same weight of silver would then purchase near ten times more of the necessaries of life. His revenue, therefore, was equal to nine or ten millions of present money. He had neither fleet nor army to support; the former being only an occasional expense, and the latter was formed and supported by his military vassals. The *Danegelt* was re-imposed by him in 1068.

William Rufus was king from 1087 to 1100. In 1089 a new survey of England

was made, and heavy taxes imposed, which created great disturbances. Another in 1093; all in addition to the enormous Crown property.

Henry I. was king from 1100 to 1135. In the sixth year of his reign he set a sum upon every parish church, and compelled the incumbent to redeem his church. He had, also, during his whole reign, a tax of 12d. upon every hide (140 acres) of land. In 1107, at the height of his popularity, he revived the odious tax of Danegelt, and was hated for it to the end of his reign. In 1109 he imposed a tax of 3s. upon every hide of land for the marriage of his daughter Matilda, and raised £824,000 as her portion; the royal power became odious in consequence.

Stephen was king from 1135 to 1154. Civil war all the while; there was no regular taxation; but the contending parties, Stephen and the Empress Maud (the Matilda whose marriage cost so much in the former reign) maintained themselves by the plunder of each other's tenants.

Henry II. was king from 1154 to 1189. In 1159 a war arose between England and France about the town of Toulouse. It was to purchase exemption from this expedition to Toulouse that the holders of land by military tenure first compounded for a scutage (pecuniary tax). The invasion of Ireland in this reign, the murder of Thomas A'Becket, Archbishop of Canterbury, (for which Henry submitted to corporal punishment,) the quarrels and conspiracies about that questionable lady, Fair Rosamond, led to the imposition of many taxes. For the first time we find "moveables," as well as land, to have been taxed. In the last year of this reign a tax was raised, for the crusade, of a "tenth of all the rents and moveables."

Richard I. was king from 1189 to 1199. He was crowned at Westminster September 3, when the Jews, who came to pay the presents expected of them, were murdered, and their houses plundered; so at Norwich, Lincoln, and York; at the latter place they cut their own throats rather than yield. The king was privy to those atrocities. He sold nearly all the Crown lands to prepare for the crusade, and said that, if he could find a purchaser, he would sell London itself. In the first year of his reign there was levied a scrutage of 10s. for every knight's fee. In the second, towards the expenses to the Holy Land, two saddle horses and two sumpter (baggage carrying) horses were taken from every city; of every Abbey one saddle and one sumpter horse; the same of every of the king's and the abbey manors. For his ransom, in 1193, every knight's fee paid 20s.; the laity a fourth of all rents; some clergy the same; and a tenth of the rents of all other clergy; also all the gold and silver of the churches, and all the wool of that year belonging to Cistercian monks and the order of Semplingham. His other taxes, after being ransomed, were 2s. from every plough-land, paid by the husbandman or occupiers. For his expedition to Normandy, May 12th, 1194, a third part of every knight's fee; and all the wool of the Cistercians was demanded, but they compounded the paid money. In April, 1196, there were sedition and riots in London, "on account of the taxes," headed by William Fitzosbert; the ringleaders executed. In this year one million of marks were raised, but it is not recorded how; also an *aid* of five shillings for every plough land. Earls, barons, and knights paid for liberty of tournament. Great sums were also raised by seizures, fines on renewal of charters, compositions, and the sale of the demesne lands.

John was king from 1199 to 1216. A scutage of two marks on every knight's fee; the same for licence to stay at home from the expedition to France. A seventh part of all the goods of earls and barons who left him in France. 1204, Parliament granted a scutage of two and a-half marks on every knight's fee. This was the first time the right of voting supplies was conceded to Parliament. In 1205, John levied vast sums upon the earls and barons who refused to follow him beyond sea. 1207, he took a thirteenth part of all moveables from laymen and ecclesiastics. 1216, he levied upon the abbeys and monasteries £140,000. In 1214, three marks from every knight's fee who was not with him in France.

Henry III. was king from 1216 to 1272. In 1224, 2s. was granted on every plough-land by Parliament, and a fifteenth on all moveables, on condition of a renewal of the Magna Charta, signed by the late King John. It is to be observed that now, when the barons had the privilege of voting taxes, they inclined to lay them on plough-lands—on the occupying or industrial interest, and on *moveables*, rather than on their own estates. 1226, a fifteenth levied on the clergy; 5,000 marks paid by the city of London; 1230, bishops and abbots gave large sums; the

Jews a *third* of their treasure and effects. 1231, a scutage of three marks on every knight's fee. 1232, a fortieth part of all moveables. 1235, a thirtieth part of moveables, and two marks for every plough-land. 1237, a thirtieth of all moveables. 1242, three marks on every knight's fee. 1244, 20s. on every knight's fee for marriages of king's daughter; a tenth of all ecclesiastical revenues for three years; the nobility and knights, three marks on every knight's fee for relief of the Holy Land. 1251, three years' tenths of all church revenues. 1254, a twentieth part of lay revenues granted by Parliament. Some other levies not recorded.

Edward I. was king from 1272 to 1307. In 1284 an important act passed, which secured the transmission of estates through different generations of the same family, (became the law of entail and primogeniture,) though the object of the barons was only to secure their own reversionary rights by narrowing the power of alienation or escheat to the Crown on failure of heirs. Next year, 1285, the charter of London city taken away, because the mayor, George Brooksby, gave licence to bakers to sell bread short of weight; the charter restored on payment of heavy fines to the king. May 2, 1286, the Jews were all seized by order of the king, who extorted large sums of money from them, to the amount of 12,000 pounds weight of silver. In 1290, subinfeudation prohibited—that is, the creation of new manors by inferior lords. To this day no manorial claim is legal if it did not exist before 1290. 1297, the clergy refusing to grant the king taxes for his wars with the Scots and French, he seized their lay fees (lands), whereupon they submitted and granted a fifth of their goods. From the twenty-second year of this reign, 1294, there has been a continuous succession of Parliaments down to the present time, and by a law made August 1, 1297, as an addition to Magna Charta, it was enacted that *no tax should be levied without consent of the knights, citizens, and burgesses assembled in Parliament*. The taxes levied after this law were (1297) an eighth of the laity, a tenth of the clergy; 1301, a fifteenth of the laity (all inland); 1302, a fifteenth of all moveables; 1304, a tollage of the cities and boroughs by poll, and a fifteenth of all land; 1305, the thirtieth penny of all moveables; 1306, for the knightage of the king's son, the clergy and laity granted a thirtieth of their moveables, and the tenants in demesne (the industrial working tenants) a twentieth.

The statute of mortmain passed in this reign, which prevented the clergy taking bequests of land from dying persons, which had been done to a great extent, as a price for a promised absolution. Taxes were also, for the first time, levied in this reign (so far as we know) for the institution of a London police watch. Hedges were ordered to be cut on the wayside, as a part of the same measure, the more readily to expose the concealment of robbers.

Edward II. was king from 1307 to 1327. First year the laity gave a twentieth of moveables; second year, a twenty-fifth; seventh year, a twentieth; eighth year, a twentieth. In the ninth "the citizens, burgesses, and tenants of the ancient demesne gave a fifteenth (of land). In the fifteenth year a tenth from clergy, nobles, and knights, and a sixth from citizens, burgesses, and tenants in demesne (the working tenants).

Edward III. was king from 1327 to 1377. This was a warlike reign; but it was otherwise remarkable. The power of the Pope was absolute, and the English Parliament for the first time alleged "that the exactions of his holiness were a greater source of impoverishment than the wars; that the taxes levied by him exceeded five times those levied by the king." John Wickliffe fanned this insubordination to a flame. In 1346, Edward, by proclamation, compelled every owner of land to furnish horsemen and archers in proportion to his estate. This was for the expedition to France, famous in history for the battle of Cressy, siege of Calais, heroism of his son, the Black Prince, &c. Edward required also a certain sum of money for every city and borough. The Commons *petitioned* the king against this ordinance on the ground that it had been issued without their consent. The king replied it was a measure of necessity; but the Commons repeated their objection, and were so urgent in their remonstrance, that the king promised this ordinance should not form a precedent for future exactions. Fifteenths or tenths (of land) were granted almost every year after the wars with France and Scotland began. In 1340, the tenth sheaf of corn, tenth fleece of wool, and tenth lamb were granted, besides 30,000 sacks of wool. In 1341, the ninth sheaf, fleece, and lamb. In 1263, in addition to fifteenths and tenths of land, a grant of 20s. for every sack of

wool, and for every 300 wool fells exported; and 40s. for every last of leather. In 1370, 43s. 4d. upon every sack of wool, and £4 on every last of leather exported, besides the usual revenue of tenths and fifteenths of land. In 1372, a subsidy of £50,000, raised on every parish proportionably, computed at £5 16s. each parish, on an average (a land-tax). 1373, Parliament granted 2s. on every tun of wine, and 6d. in the pound for all merchandise, in consideration of the protection of merchant ships and foreign trade. This, so far as now known, was the original of tannage and poundage. In 1377, a poll-tax of 4d. on every head above fourteen years of age granted. Parliament discontented, because "Alice Piers wasted the king's money." They caused her to be removed from court, but her fascination was stronger than the Parliament, and she returned. "Lawyers, being a mean sort of people," were forbidden to sit in this Parliament. Hitherto an act of Parliament was in shape of a petition to the king; if granted, the petition was copied and deposited in Chancery; but the clerks often altering them in copying to suit the king, unknown to the Commons, the latter now insisted that the copies should be made while they were in session, and read to them aloud. Their imperfect knowledge of financial statistics was exemplified in the tax granted by them in 1371. It was an aid of £50,000, to be raised by a levy of 23s. 3d. on each parish, they supposing the number of parishes in England to be about 45,000. It was found they did not amount to more than one-fifth of that number, and that only one-fifth of the tax was raised. To remedy this a new Parliament was summoned in June, which fixed the assessment at £5 16s.

Richard II. was king from 1377 to 1399. The taxes of this reign were the usual revenues from land, 15ths and half-15ths on wool, wool fells (skins with wool on), and leather, exported; 3s. on the tun of wine, and 1s. per pound value of merchandise imported in 1387: the same was granted next year. In 1394 the same was granted for three years. But the most memorable tax of this reign was a poll-tax in 1379, upon which arose Wat Tyler's rebellion. The scale was as follows:—

	£	s.	d.
A duke or archbishop	6	13	4
A justice of either bench, or the chief baron.....	5	0	0
A bishop, earl, earl's widow, or the mayor of London	4	0	0
A baron, banneret, knight, equal in estate to a banneret, their widows, aldermen of London, mayors of great towns, and serjeants at-law	2	0	0
A knight, esquire, or great merchant	1	0	0
A sufficient merchant	0	13	4
An esquire or attorney-at-law	0	6	8
Others of less estate	0	3	4
A married labourer	0	0	4
A single man or woman	0	0	4

Clergymen paid, according to their benefices, from 40s. to 2s. Monks and nuns paid according to the value of the houses to which they belonged, 40d., 20d., 12d., or 4d.

The unpopularity of this poll-tax, and the insurrection which followed, have been often quoted as arguments against direct taxation, and as evidence in favour of indirect taxes, which people submit to pay because they do not know how heavy or how disproportionate their share of such taxes is. But it is a mistake to attribute the insurrection of 1381 to that poll-tax, or the insurrection in Ceylon, in 1848, to Lord Torrington's poll-tax, as *direct* taxes. Lord Torrington's tax was 3s., or one week's labour, value 3s. from every man, rich or poor. One week's income from himself would have been £192 6s. 2d.; the week's income of all other highly-paid men would have been in proportion, instead of *three shillings*. This was much worse than the poll-tax of Wat Tyler's time; but it had another element of revolt in it; the Cingalese priesthood were held liable to pay it in money or perform the week's labour; by their religion they must neither touch work nor possess property. It was to them perdition to submit to that tax. Lord Torrington had one of them, as a warning to the rest, executed in sacerdotal vestments. Other enormities followed, which a committee of Parliament has been inquiring into for two years. Extraordinary disclosures are said to have resulted; but, whatever they may be, the Association take this opportunity of protesting against the allegation that it was an attempt to enforce *direct taxation* in Ceylon, in 1848, which led to the rebellion there.

Nor is it true that it was *direct taxation*, as has been alleged, that led to Wat Tyler's insurrection in England in 1381. Indecent violence was offered to Walter's daughter, the tax-gatherer alleging she was over fourteen, and liable to the tax. The tyler (he was "Walter the Tyler") took his hammer and struck the tax-gatherer dead. The crowd justified him. A multitude gathered into the town of Deptford, where he resided, and all their grievances became the subject of discussion. By far the worst of these were the taxes payable to the lords of manors, who prohibited the carriage of goods or passage of travellers across their manors except under heavy tolls. The multitude, said to have been gathered in Kent and Essex, but chiefly in Kent, was inspirited by one John Ball, an enthusiast preacher, and by "Jack Straw," a more sensible person than some historians admit. Their leading cry was, "When Adam delved and Eve span, who was then the gentleman?" They committed many outrages in and about London, killed the nobles, and burned their palaces, but were at last subdued. They began in May: on the 2nd of July, 1,500 of them were hanged, among whom were Jack Straw and Ball the preacher. The tyler was killed by Walworth, mayor of London, in Smithfield. Some days before the king had appointed that place for an interview with the rebels. Walter spoke as became a man, (so say some;) Walworth called him "insolent," and stabbed him with a dagger. The tyler died, the mob were dispersed, Walworth was knighted, and the dagger and bloody hand were added as emblems of honour to the escutcheon of the city of London, where they still remain.

SECTION V.

TAXES LEVIED FROM THE YEAR 1399 TO 1558.

Henry IV. was king from 1399 to 1413. This sovereign had a defective title to the throne, which greatly favoured and increased the power of the House of Commons. He was the only son of John of Gaunt, Duke of Lancaster, who was fourth son of Edward III. Richard, just deceased, was grandson of Edward III. Henry of Lancaster was consequently the deceased king's cousin. "His defective title," says a historian, "and pecuniary embarrassments, and the frequent insurrections in favour of Richard and the Earl of March" (claiming in behalf of the Duke of York, a son of Edward III., elder than John of Gaunt,) "compelled Henry to court the favour of the people through their representatives; and the men who were originally deemed of no other use than to raise money, became, by almost imperceptible degrees, a co-equal part of the legislature." They are now something more than a co-equal part. On the 14th May, 1405, the king called a council of the lords and desired an *aid* of money, being ashamed to ask the Parliament, who had lately granted him a considerable subsidy. But the lords flatly refused to comply with his desires without the consent of Parliament. Not that they cared for Parliament, but it was an excuse to withhold their money, and indirectly gave a high power to the House of Commons. The clergy made the same denial, and the king dismissed them with signs of displeasure. On the 10th October, 1406, Parliament met at Westminster, but as they refused to vote supplies, and only passed an act for the *freedom of election*, the king kept them assembled till they complied. This Parliament gave the merchants a remarkable commission—that *they*, instead of the king, should guard the seas from May 1, till Michaelmas, 1406, and in consideration have 3s. for every tun of wine imported or exported, 12d. in the pound, and the fourth-part of the subsidy of wools and leather. In January, 1410, a Parliament being summoned, the sheriffs were ordered to have no regard to the majority of voices at elections, but to return such members as would be most subservient to the king. The Commons, however, petitioned the king to pass an act to punish sheriffs who made false returns; prayed again that part of the revenues of the clergy might be applied to the defence of the kingdom, and that the statute for burning heretics might be repealed. Their petition was rejected. John Bradley, a tailor, was burned for heresy in Smithfield, Prince Henry (Shakspeare's Prince Hal.) standing by. The Commons, considering his execution an insult in face of their petition (or *bill*, as they would now call it,) refused to grant supplies, until obtained by force, on the 3rd of May. In 1405, the taxes granted were so great, that Parliament ordered them not to be recorded. They were, throughout the reign generally, two-tenths or two-fifteenths on land per annum, with tunnage and poundage on merchandise. In 1401 the king had £40,000 from moveables and occupying cultivators of land, and 20s. on every knight's fee, and 20s. on every £20 per annum of land for the marriage portion of Blanche, his daughter.

Henry V. was king from 1413 to 1422. This was the son of the former sovereign. The Commons granted the same subsidies as were granted to Henry IV., and attempted to obtain the application of the Church lands to the public use, but, except in the case of some abbeyes held by aliens, they were not successful. Henry undertaking the "recovery of his inheritance" in France, organized and conveyed an army thither. Its deeds at Agincourt were long after the theme of poets and historians. This was the first regularly-paid army. A duke had 13s. 4d. per day, an earl 6s. 8d., a baron 4s., an esquire, or man-at-arms, 1s., an archer 6d. A duke had fifty horses, an earl twenty-four, a baron sixteen, a knight six, an esquire four, and an archer one. They were furnished by the contractor, the equipment by the king. Prisoners belonged to the captors, and two-thirds of the booty to the men, the remaining third to their leaders. The clergy and all holders of land contributed to this expedition according to their estate. Other expeditions of a like kind were undertaken in 1418 and 1419. In the latter the king gave a commission to John Louth, clerk of the Ordnance, and John Bennet, mason, Maidstone, to *press* a sufficient number of masons to make 7,000 cannon balls in the quarries of Maidstone Heath.

In 1421 another expedition to France was undertaken, and, for the first time, *money was borrowed to carry on war*; but it was borrowed on the personal responsibility of the king, and not by Parliament. The lenders were the Bishop of Winchester, £20,000, and several of the "most noted men of property," not named. The taxes in this reign (1413) were two-tenths, and two-fifteenths on land; a subsidy on wool and leather; 3s. for every tun of wine imported, and 1s. in the pound on merchandise. 1414. Two-tenths and two-fifteenths on land, computed to amount to 300,000 marks. 1416. Two-tenths and two-fifteenths on land. 1418. One-tenth and one-fifteenth on land. 1419. One-and-a-half tenth, and one-and-a-half fifteenth on land. 1421. A fifteenth by the laity, and a tenth by the clergy, on land; and in every year, almost, the clergy gave one-third more than the laity, in proportion to their revenues. 1422. In the last year of this reign, a petition being presented to the king, "showing that the people were impoverished by the war with France, the Parliament gave but a fifteenth, and the clergy a tenth (on land), being of opinion that the conquered provinces should maintain the war; whereupon the king pawned his crown and jewels again to raise money, and above one hundred convents of the alien priests, which the Parliament had given the king, were converted into money.

Henry VI. was king from 1422 to 1461, when he was deposed by the house of York. The Duke of York, descended from the third son of Edward III., claimed the throne, while Henry VI. (yet in his cradle) was descended from the Duke of Lancaster, fourth son. Hence the wars between the houses of York and Lancaster, which now began, and continued to the death of Richard III. on Bosworth Field. 1426, February 18, Parliament met at Leicester. It was called the Parliament of *bats*. As arms had been forbidden, the servants of the members followed their lords with bats or clubs upon their shoulders. The taxes granted by Parliament were similar to those in last reign, but rather more favourable to land, and heavier on other sources of income. 1448, one-tenth and one-fifteenth on land, tunnage and poundage for five years, a subsidy for four years, 16d. for every alien housekeeper, 6d. on other aliens, 6s. 8d. on every foreign merchant, and 20d. on each of their clerks. 1449, in addition to the usual revenue from land, "Every person having lands, annuity, or office, of the annual value of 20s., to pay 6d., and under £20 to pay 20d. in the pound; from £20 to £200 per annum to pay 2s. in the pound, as well clergy as laity." 1453, 1 $\frac{1}{2}$ -tenth, and ditto 15th, tunnage and poundage (first time it was granted for the king's life), a subsidy on wool, being £1 3s. 4d. on denizens, and £5 on every sack exported by aliens, on every foreign merchant housekeeper 40s. per annum, and on every foreign merchant, being no denizen, £6 13s. 4d. In 1453 the receipts fell short of the expenditure to the amount of £35,000. The ordinary revenue of the Crown had dwindled, by grants, pensions, and fraud ("Sinclair's History of the Revenue"), to no more than £5,000, and Parliament was called upon for the first time to pay the debts of, and make a provision for, the royal household. The extraordinary revenue granted by Parliament, consisting of tunnage and poundage, and the customs on wool and skins exported, yielded, on the average, about £27,000. The king's debts, at the close of this reign, amounted to £372,000. In the eighth year of this reign it was enacted that knights of the shire must be resident, and hold freehold lands in their respective counties, of the value of forty shillings per annum, and every elector to have forty shillings per annum freehold. The last part of this act gave rise to the forty-shilling county qualification still existing, and now extending.

FINANCIAL REFORM TRACTS.

No. 29.

HISTORICAL REVIEW OF THE FISCAL SYSTEM.

SECTION V.

(Continued from No. 28.)

TAXES LEVIED FROM THE YEAR 1399 TO 1558.

Edward IV. was king from 1461 to 1483. He was head of the house of York, Henry of Lancaster being deposed. This reign was one scene of vast carnage and devastation. The usual taxes were voted by Parliament in 10ths or 15ths on land, and tannage and poundage on merchandise; but, say the historians, "Edward IV. had many other ways of raising money, particularly by confiscating the estates of the opposite party; by resuming the grants (of land) of former kings; by proscribing the subjects upon penal statutes, and extorting large sums from delinquents. He raised great sums by privy seals and benevolences, borrowing from those who had any reputation for wealth according to their respective abilities. He received large sums from France to withdraw his troops from that kingdom."

Edward V., son of the foregoing, succeeded in 1483, but could not be said to have reigned. He was only eleven years old on the death of his father, and within nine weeks was, with his brother, murdered in the Tower by his uncle Richard, Duke of Gloucester, who became king.

Richard III. was king from 1483 to 1485. He was at war all his time with the Lancasterians, who were now headed by Henry Tudor, Earl of Richmond. It was enacted in the first year of this reign, that in future no money be demanded of the subject *by way of loan or benevolence*; it being frequently extorted by a king naming a sum and the subject not daring to refuse to lend it. The first posts for the conveyance of letters were established by Richard III.; wooden posts being inserted in the ground, the messengers carried the letters from post to post; but the institution was one for royal convenience, not for revenue. Richard was slain, and a long peace for the country secured, by the Earl of Richmond, August 22, 1485, at Bosworth, in Leicestershire.

Henry VII., Earl of Richmond, succeeded to the Crown, and was king from 1485 to 1509. His policy was to reduce the old nobility by passing laws to break entails, and by elevating lawyers and commoners to the Peerage. He had the reputation of being penurious. The taxes voted in this reign were 10ths on land, tannage and poundage as before, also a benevolence "levied only on the rich." A 10th on the laity realised about £100,000. He obtained a subsidy from the French King of £150,000, for consenting to a peace. A subsidy granted by the Scotch, for peace, amounted to £120,000. Besides a subsidy of 2-15ths for the marriage of his daughter, he obtained a benevolence in the same year, and another benevolence soon after. His extortions by prosecutions under penal statutes, and confiscations of estates, obliging the holders to repurchase a title, brought him large sums. The Parliament became corrupted, or awed, or both, and allowed the king to do as he alone deemed best. Many useful laws, however, were passed; all serfs were finally enfranchised as free men. He was the first monarch from Henry III. who

lived within his income. The discovery of America and the West Indies in this reign gave a great impulse to mercantile adventure, and paved the way to new sources of finance.

Henry VIII. was king from 1509 to 1547. The financial history of this reign is too closely connected with the great religious revolution to be detailed here. It was estimated that seven-tenths of all the land in the kingdom belonged to the religious houses at the beginning of this reign—but, probably, less—all of which became the property of the king or his courtiers. Parliament granted subsidies occasionally, but Henry, having found a readier way of obtaining money, did not await their supplies.

Edward VI., son of the foregoing by Lady Seymour, his third wife, was king from 1547 to 1553. The household expenses were voted by Parliament at £62,000 a year. The tannage and poundage of the two former reigns were voted for the king's life in this. 20,000 pounds weight of bullion were appointed to be so alloyed that the king might gain £220,000! This had been done in the previous reign, until the shilling fell to 10d., 8d., and finally to 6d.

Mary was queen from 1553 to 1558. She was the only daughter of Henry VIII. by his first wife, Catherine of Spain. Mary inclined matrimonially to the Earl of Devonshire, but he being incorrigibly dissolute, a negotiation was set on foot for a marriage with Philip, heir to the crown of Spain. The Parliament addressed the queen against marriage with a foreigner, upon which Philip's father remitted 1,200,000 crowns (£400,000 English) to be distributed among the members of Parliament, to soften them towards Philip. It is said to have taken effect. July 19, 1554, Philip arrived in England, and was married on the 25th; he brought with him twenty-seven chests, each forty inches long, filled with bullion; ninety-nine horse loads and two cart loads of gold and silver, which *infused fresh zeal for the queen among many who were before disgusted that she should marry a foreigner*. Parliament met August 12th, and appeared warmly devoted to Philip! Most of their acts related to religion. 1556, "the queen demanded a loan of £60,000 from 1,000 persons. She exacted, in 1555, several compulsory loans, and two years after seized all the corn of Suffolk and Norfolk without paying for it. She extorted 60,000 marks from 7,000 yeomen, and exacted £36,000 from the cloth merchants trading to Antwerp, and, upon refusal, seized upon their ships and cargoes, laying upon each piece of cloth a subsidy of 20s.; to get this duty abolished, they paid her £40,000, and engaged for £2,000 more, payable in a month." Parliament had granted at the beginning of the reign, for her life, the 15ths and 10ths on land granted in the previous reign, which seems to have been the whole of their supplies, so far as the records enable us now to judge. She also borrowed £20,000 from the city of London. Perhaps it was easier to *borrow*, or exact, or extort, than to collect taxes. An average of seventy-one persons burned at the stake for their opinions in each year of her reign, leaves little doubt as to her power to exact money.

SECTION VI.

TAXES LEVIED FROM THE YEAR 1558 TO 1688.

Elizabeth, daughter of Henry VIII., was queen from 1558 to 1603. The financial accounts of her reign, so brilliant in literature, and so satisfactory in industrial progress, are singularly defective. The queen was, doubtless, a rigid economist, though it is difficult to estimate either the public revenue or expenditure of the time. Her privy purse and household cost £42,000 per annum. Her dresses and jewellery must have cost enormous sums, but it was supposed that many of the most costly were *waiifs* floating down the stream of justice, very detrimental to its purity. Many perquisites accrued to her, also, as prices for trading monopolies. The national revenue was under half a million sterling a year. During the forty-five years of her reign Parliament voted only twenty subsidies and thirty-nine fifteenths, averaging about £66,000 a year: the remainder must have been made up from the Crown lands, Wards, the duchy of Lancaster, and other branches of the hereditary revenues. With a general peace, and the absence of almost all taxes on merchandise and industry, the progress of the nation was greater than in any former time. One branch of expenditure, unaccountably heavy for that pe-

iod, was the government of Ireland. In ten years it cost £3,400,000, while its revenue was only £120,000. In four years of the war with Spain the cost was £1,300,000. Elizabeth's ships of war were thirteen, to which James, her successor, added twelve.

James I. was king from 1603 to 1625. He was great great grandson of Henry VII., and succeeded Elizabeth by inheritance as well as appointment. In 1617 the revenue amounted to £450,000 a year. Of this sum £80,000 was the produce of the Crown lands, £190,000 of customs, and £180,000 arising out of the dues payable from land tenures, as explained in Sections 2 and 3 of the present papers. The whole subsidies granted by Parliament in this reign were nine, with ten-fifteenths of land. A subsidy produced about £70,000, and a 15th about £36,000, consequently the parliamentary grants received by James in twenty-three years amounted to about a million. An attempt was made at the beginning of the reign to procure a strict entail of the Crown lands on the king and his heirs forever; but a bill for that purpose, though passed by the Lords, was rejected by the Commons; and James, finding no obstacle to the sale of those lands, raised by that means about £775,000. The Dutch were compelled to pay tribute for the privilege of fishing on the British coasts, the amount of which revenue is not particularly recorded.

The old way of granting supplies to the Crown by 15ths and 10ths, the exact mode of levying which has puzzled antiquarians, ceased altogether in 1624. This reign furnishes the last instance of any aid being levied on the knighting of the king's eldest son, and on the marriage of the king's eldest daughter.

James had a price affixed to each rank of nobility. The dignities of baron, viscount, and earl, might be respectively bought at the rate of £10,000, £15,000, and £20,000. But the sale of the title of baronet, and the making of the title hereditary, was the most fruitful source of revenue from the sale of titles.

Charles I. and the Commonwealth come under review together, as both, for a time, levied a revenue irrespective of the other. They occupied the period from 1625 to 1660. Charles was the son of James, and like him had high opinions about the Divine right of kings to take taxes from subjects with or without their consent. In the first year of Charles the charges of the war then carried on with Spain was laid before Parliament at £700,000; his own and his father's debts were £600,000. To meet those charges Parliament only granted a supply of two subsidies, which realized about £145,000. They adjourned in June, and re-assembling on 12th August were again required to vote supplies, consisting of a tunnage and poundage on merchandise for the whole of the king's life. They would grant only for one year, and refused supplies to carry on the war with Spain, it not being deemed a national war, but one arising out of the private quarrels of the minister, Buckingham. They were dissolved, having sat only three weeks, and no supplies being voted, even for the household, the king, to obtain provisions for the palace table, had to borrow £3,000 from the corporations of Salisbury and Southampton. On the 31st January, 1626, all persons of £40 a year or more were ordered to be knighted, for the purpose of raising a revenue. February 6th, the second Parliament met at Westminster, but refused to proceed with public business, unless the king released the Earl of Arundel from prison, he being confined without trial! June 11th, the Parliament remonstrating against the king's taking tunnage and poundage without their having voted it, and against the continuance in office of the minister Buckingham, they were dissolved without having passed one act.

June 30, 1626.—An Order in Council issued for levying tunnage and poundage on merchandise until the levy might be confirmed by Parliament. The king also raised money by the sale of the Crown lands, and by loans. July 1st, from a petty quarrel with the French ambassador, a war arose between France and England. A commission was issued to muster and arm the militia, and to fit out a fleet; to effect the latter, a levy of *ship-money* was made. Gentlemen of rank were imprisoned for refusing to grant the loans demanded of them; and persons of inferior position were pressed and sent to be sailors and soldiers for the same refusal. Soldiers were also quartered on private houses. April 3, 1627, the Parliament met, and resolved that no free man ought to be imprisoned by order of the king, only by due course of law. The Parliament in 1628 granted no supplies; in 1629 the Commons voted a resolution which the Speaker refused to put from the chair, on the ground that he was commanded by the king not to do so. He was about

to leave the chair, when the members held him down in his seat, locked the doors of the House that none might come in or go out, and compelled him to put the resolution, part of which was, that "whoever should advise the taking of tannage or poundage, not granted by Parliament, or that should pay the same, should be accounted enemies of the kingdom." The leading members engaged in this remarkable declaration of popular right were committed to the Tower on the king's warrant, and in the House of Lords he termed them "common vipers." He dissolved Parliament on that occasion, 10th March, 1629, and no Parliament was assembled by him for the next twelve years. Two facts occurred which are yet instructive. Peace was proclaimed with France, May 29, 1629, and with Spain, November 27, 1630, from the want of public money to carry on war.

The Scotch Parliament, June 20, 1633, granted the largest subsidy which had ever been given to a king of Scotland; it was "thirty shillings on every pound worth of land for six years" (the expression seems obscure), "and the 16th penny of all annual rents or interest of money for six years."

May, 1635.—A great fleet was fitted out "to maintain the dominion of the narrow seas." The writs for ship-money were enlarged and extended to the inland as well as seaport towns, "which created general disgust, though the whole sum levied by these writs amounted only to £236,000." But there were other causes of discontent. Mr. Prynne, and after him Burton, a clergyman, and Bastwick, a physician, for expressing opinions somewhat akin to those of this Financial Reform Association, were sentenced to pay a fine of £5,000 each, to stand in the pillory, to have their ears cut off, their noses slit open, and to be imprisoned for life. Heavy fines were imposed on several noblemen and others, for alleged infringements on the royal forests. In this way £50,000 were raised in one year. Mr. Hampden, of Buckinghamshire, with an estate of £600 a year, was rated at 20s. for ship-money; March, 1636, which he refused to pay, as illegal. His plea of illegality was argued before the judges, April, 1638, and judgment given against him. May 16, 1640, the convocation of the clergy (which did not use to sit when there was no Parliament in session) voted the king six subsidies, of £20,000 each, payable in six years. The king raised an army of twenty thousand men to go against the Scots to enforce submission to the episcopal religion, for which the nobility and gentry advanced £300,000. He sought a loan of £200,000 from the city of London, which was refused. He borrowed £40,000 from the merchants concerned in the Mint, on security of the customs of tannage and poundage. This was but the second time, so far as known, that money was borrowed on security of future taxes; but it was strictly the king's, not the nation's debt.

November 3, 1640.—The famous "Long Parliament" assembled. On the 7th December they voted that "the levy of ship-money, and the opinions of the judges upon it, were illegal." They voted the subsidies granted by the convocation of clergy to be illegal, and framed a bill for fining all who attended that convocation. February 3rd, a vote of £300,000 was given to carry on the war against the Scots; and on the 16th further subsidies were granted for the "king's army," but to be so disposed of that the king should not have the handling of the money. The Lords, on appeal, cancelled the judgment in Hampden's case. The Commons voted the judges guilty of high treason for their judgment in favour of ship-money; and by the officers of the House took one of them a prisoner from the judgment-seat in Westminster-hall, to the consternation of the rest and all the lawyers.

January 3, 1642, the king went to the House of Commons with 500 armed men to seize Pym, Hampden, and other members. In a few months after, he and the Parliament had each an army in the field, but the military and political events which followed are not within the scope of this financial review.

From 1637 to 1641 the yearly revenue was £895,819, of which £210,493 was ship-money, or other illegal exactions. When the war broke out Charles pawned the jewels of the crown; his adherents subscribed private funds, and the two universities sent their plate to be melted down and coined, but that from Cambridge fell into the hands of the Parliamentarians, and was melted by them. Afterwards the king followed the example of his opponents by levying assessments, by the week or month, where his authority was acknowledged.

The conduct of the Parliament at the beginning of the contest was so popular, that it also obtained incredible sums by voluntary contribution. The plate of almost every inhabitant of London was brought in to be coined for its support; even

he thimbles and bodkins of the women were not withheld; also an assessment on personal and landed property was imposed, varying from £35,000 to £120,000 per month. These levies proved so productive and superior to the ancient subsidies, that they were continued ever after, under the name of land tax.

To the necessities of the Long Parliament we owe the institution of the excise. Its suggestion has been ascribed to Pym. It extended to bread, meat, salt, and other necessary articles. Additions were made to the customs by duties upon coals and currants; 4s. on the chaldron of coals, levied at Newcastle, realised about £50,000.

The establishment of a post-office upon a productive and permanent footing, was principally the work of the Long Parliament. By their regulations it saved a precious loss of £7,000, and yielded a profit of £10,000 per annum. But the most novel of their fiscal contrivances was the impost of a *weekly meal*. Every one was required to retrench one meal a week, and to pay the money thereby saved into the public treasury. This tax yielded, in six years, £608,400.

The revenue of the Commonwealth, from the beginning of the Revolution to the restoration of the monarchy, was £83,331,198, being an average for each of those nineteen years of £4,383,830. This was an expenditure about seven times greater than the kingly governments had spent, and about four times greater than the revenue as settled at the restoration of Charles II. Taxes were the leading cause of the rebellion against Charles I.; and taxes, so keenly is their infliction felt, were the main cause of the people's rejoicing to get rid of the Commonwealth.

Charles II. was king from 1660 to 1685, and James II. from the latter year to the Revolution in 1688. The public revenue in 1688 was over two millions sterling. It was raised chiefly by tunnage and poundage, hearth-money, post-office, wine licenses, new duties on wines and vinegar, duties on tobacco and sugar, duties on French linen and brandy, and by the *hereditary excise* on beer and ale, which last realised £666,383. This was the substitute for the levies which had formerly been made upon land under the name of knight service, wardships, and the like, which we have before particularised. This was effected by the act 12th Charles II.

With the Revolution of 1688 came the advent of the national debt.

SECTION VII.

TAXES LEVIED AND DEBT CONTRACTED FROM 1688 TO 1702, TO THE REIGN OF WILLIAM III.

"The king's debts" at the Revolution amounted to £664,263. On the accession of William III., son-in-law of the late king, the debt became "national," and at his death in 1702 amounted to nearly *sixteen millions and a half*, while in that period the expenditure had been *seventy-two millions*. It is written—"Of the thirteen years of his reign, ten were years of war. He aspired to the distinction of being head of the Protestant interest, and acting as umpire of all national contests, so that a cannon might not be fired in Europe without his permission. In furtherance of these ambitious aspirations, he was unscrupulous as to the means he employed; Parliament was bribed, the morals of the people corrupted, and the pernicious expedient introduced of borrowing on remote funds, by which was engendered a swarm of loan contractors, speculators, and stockjobbers, whose chief harvest is a nation's difficulties. It is to this monarch we owe the practice of issuing exchequer bills, of raising money by lotteries, the stamp duties, the multiplication of excise laws, and most of those other financial contrivances by which posterity has been burdened, and wars of folly and despotism supported."

The results of his wars are thus summarily expressed:—"The ostensible object of the continental alliances of William was to curb the restless ambition of Louis XIV. Unless, however, William, by the war in the Netherlands, diverted France from the invasion of England, he does not appear to have reaped any other advantage in his contest with the French monarch. After the long, bloody, and exhausting war terminated by the Peace of Ryswick, France was left as powerful as ever for aggressive encroachment. Neither was the king consistent in his endeavour to effect the *humiliation* of his Gallican opponent, as he so often expressed his design.

The objects embraced by the treaties for the partition of the Spanish monarchy were the reverse of those he sought to accomplish in the preceding war, and tended to the aggrandizement of France," &c.

But it is too late at this day to inquire into the motives or character of William III. All that may be done is to inquire if there be no means of discharging the debts contracted by him and bequeathed to us, which debts, with its subsequent augmentations, must descend to all future generations if not provided for in some manner. Let it be well pondered on, that more than one-half of all the taxation now, 1850, weighing upon the nation, is required to pay the interest of the debt which William III. and his successors contracted; that as much interest has already been paid as would have discharged all the money really borrowed. Let those facts be borne in mind, and let us trace the financial principles upon which the debt has been augmented and perpetuated. We cannot rectify the errors of the past, but may correct the financial policy of the future.

First of all, the prime error was the political and legislative supremacy of the landed interest, which, able to transfer the taxes from land, laid them on industry and industrial capital, which, being a burden for other shoulders than their own, made the landed proprietors careless of the expenditure and accumulating debt.

Sir John Sinclair, in his "History of the Revenue of the British Empire," published 1789, says, referring to the origin of the public debt in the reign of William III., that there were good reasons why England should be at war with France; but after urging these, he is constrained to speak of the selfish factions of men who then divided the public lands and revenues among themselves. He says:—

"In every factious country frauds will abound. Those who get into power are afraid that they shall not long continue in the management of affairs, and therefore anxiously embrace every opportunity of enriching themselves at the expense of the public. * * * The abuses and fraudulent practices which took place in the various public offices in the reign of William were very great. Some frauds were brought to light, and commissioners of accounts were appointed in hopes of discovering other public defaulters, but with so little effect that the Commons came to a resolution, in 1701, 'that it was notorious that many millions of money had been given to his Majesty for the service of the public which remain yet unaccounted for.'"

Some alleged at that period that the sums unaccounted for were over ten millions sterling. But whether this were so or not, the political factiousness of the period, and that which succeeded, induced statesmen, who variously courted parliamentary support, to lay new taxes, or extend old ones, upon industry, which was comparatively powerless in Parliament, to relieve real property, which was all-powerful there.

Of the detected frauds in William's reign, one may be here mentioned. It is believed to have been the parent crime of innumerable fiscal robberies committed in a similar manner, then and long after, upon the public. Though clearly proved, it passed unpunished, the principal participators being afterwards raised to the peerage. We quote Sir John Sinclair, and "Life of Lord Halifax."

"Exchequer bills when first issued were not entitled to any interest; but when paid in on account of any tax, they received upon the second issue (if endorsed by the proper officer) an interest of £5 12s. per annum. This encouraged several of the officers of the excise and customs to contrive together to get great sums of money by false endorsements before such exchequer bills had been circulated. Many officers had enriched themselves by this fraud, and Dimcombe, receiver-general of excise, had amassed a fortune of £400,000. A bill passed the House of Commons fining this flagrant offender in about one-half of that sum, but it was rejected by the Lords, in consequence of the exertions of a noble duke, who was suspected of having been gained over by a golden sacrifice. The other persons guilty also escaped.

"It also appears," continues Sinclair ("History of the Revenue," Part II., p. 52), "that many exchequer tallies were struck with interest for considerable sums of money, not only when there was no occasion to raise the money, but when part of the produce of the tax on which the tallies were struck had come into the Exchequer."

The same author remarks that there was a want of public zeal and spirit, not only among those who were in power, but even in the nation at large. And though

may be called the literary champion of the landed interest, he wrote thus, referring to the reign of William:—

“The landed interest endeavoured to throw the burden of the State from their own shoulders, and procured an instruction to the Committee of Supply that no money should be raised upon land without the special leave of the House. Even when a land tax was established at the rate of 4s. in the pound, instead of *three millions* a year, which it ought to have produced, it only yielded *two*; and every plan that was proposed in Parliament for the general benefit was rendered abortive. A bill had passed the House of Commons for raising a million upon the credit of the forfeited estates in Ireland, but it was dropped in the House of Lords, *many of the leading members in that branch of the Legislature trusting that they should procure those estates for nothing, if they remained at the disposal of the Crown.*”

And they trusted with success. The Commons came to a vote,—

“That the salaries, fees, and perquisites of all officers under the Crown (leaving £500 per annum to each respective officer), excepting the salaries of the judges, &c., and also all pensions granted by the Crown (with some exceptions), should be applied towards carrying on the war with France.” “But,” says Sinclair, “such effectual measures were taken by those who would have suffered by such resolution, that a bill was not even suffered to be brought in.”

The Association think it may be instructive to pass a few of the leading events of that period in review for which the public were burdened with new taxes and debts: they take them chronologically with the imposition of the taxes:—

March, 1789.—A settlement of the revenue, and a distinction made between the ordinary and extraordinary revenue. £600,000 was voted for a civil list, leaving all the remaining supplies to be voted by *estimate*, and appropriated to specific services, to be approved by Parliament. So far Parliament was politically virtuous. But soon there were vast estates of land vacant in Ireland and elsewhere, by confiscation from the adherents of the fallen James II., which, instead of being appropriated to the public service, were granted to private individuals. To obtain such favours, which cost the country much and the king nothing, the Whig favourites of fortune, who had been instrumental in bringing William from Holland, vied with one another who should be the most zealous to vote the supplies required by the king, who should be the readiest to pronounce it vulgar to uphold the independence of Parliament.

August 20th.—“An act was passed to pay to Holland £600,000, to defray the expenses of William’s expedition to England to dethrone his father-in-law.

November 2nd.—The Commons voted a supply of £2,000,000, to be raised by a land tax of 3s. in the pound, and other additional duties on tea, coffee, and chocolate.

March 20th.—The second Parliament of this reign met, when the king made a speech to both Houses, told them that he intended going to Ireland, and desired their assistance in that war, and the settlement of his revenue, *which he proposed to anticipate and borrow money upon.* The Whigs had lessened their popularity by their vindictive measures against political opponents, and the Tories, in this new Parliament, had a majority. The Earl of Marlborough was sent with 10,000 men to join the Dutch army in Germany.

April 1st.—The Commons granted a supply of £2,200,000 between that time and Michaelmas, of which £200,000 was raised by a poll tax, and “a million by credit in the revenue bills.”

October 2nd.—Parliament met, and William in his speech demanded larger supplies, saying the reason Ireland was not yet subdued was that the supplies formerly voted were deficient. The Commons voted an army of 69,000 men, and a supply of four millions sterling and upwards.

January 16, 1691.—A congress of all the princes of Germany, and the Imperial, English, Italian, Spanish, and Dutch ministers, at which a declaration was drawn up, in which they solemnly protested before God that their intentions were (we may yet study them with advantage in the middle of the nineteenth century, when the question of intervention in the domestic affairs of foreign states arises), namely, “Never to make peace with Louis XIV. until he had made his reparation to the Holy See, and annulled all his infamous proceedings against Pope Innocent.” (This was the *Protestant* policy for which the English taxes were dissipated and debt contracted!) “Nor until he had restored all property taken from the Pro-

testants of France, with liberty of conscience." (So far good.) "Nor till the estates of the kingdom of France be established in their ancient liberties, so that the clergy, the nobility, and the third estate, may enjoy their ancient and lawful privileges. Nor till their kings for the future shall be obliged to call together the said estates when they desire any supply, without which they should not raise any money on any pretence whatsoever," &c. "The confederates invited the subjects of France to join with them in this undertaking, threatening ruin and devastation to those that refused."

So that to prevent the King of France from obtaining taxes without the vote of the privileged classes (the mass of the people there having no voice), English taxes were to be imposed upon every existing product of industry, and the revenue of future generations, whose voice could not possibly be heard against the transmission of that prodigal debt to them, was to be anticipated. All which disastrous results to England followed, but none of the intended results to France.

July 24th.—Battle of Steinkirk, William commanding in person, defeated with the loss of 6,000 men.

November 4th.—Parliament met. The king made a speech, telling the Commons of the absolute necessity of raising at least as great supplies as they did last year. The Whigs and Tories contending for popularity passed a bill through both Houses for Triennial Parliaments, which the king at first rejected.

January 26, 1693.—An act passed for levying additional duties of excise upon ale and beer, to be security and a "recompense" to those persons who should advance £1,000,000 of money to carry on the war. By this act annuities to the amount of £100,000 were to be paid for that loan of £1,000,000, each lender of £100 to share proportionately in the annuity during his life, or during the life of a nominee whom he might substitute for himself. And if the lender's or his nominee's life dropped, the share of interest to fall to the survivors; or a contributor to the loan, instead of his share in that sum of £100,000, might have an annuity of £14 for his £100, and the like for every other £100 he might advance during his own life, or that of his nominee! This was the first instance of an annuity with benefit of survivorship. The improvidence of the loan on the part of William and his Government almost exceeds belief.

July 19th.—Battle of Landen, in which the Confederate army, commanded by William in person, was entirely routed by the French, with 30,000 killed on both sides, largest proportion English.

September 24th.—The French again successful over the Confederates.

November 7th.—Parliament met. William made a speech, attributing the defeat of the Confederates to the superior numbers of the French, and "the disasters at sea to some cause which should be inquired into." France, amid her victories, was suffering so severely from famine and the plunder of tax-gatherers, that King Louis sued for a peace with some of the Confederates separately, but it was refused. The English Parliament was called on for further supplies, and voted *five millions*.

February 14, 1694.—The Commons voted a duty upon leather, soap, wine, the tunnage of all ships and vessels; also on hackney-coaches and stage-coaches; upon paper and parchment, and likewise a poll tax, to raise money for this war.

April 25th.—An act was passed "for securing certain recompenses" and advantages to such persons as should voluntarily advance the sum of £1,200,000 to carry on the war. It was raised in ten days, and, the subscribers being incorporated, the act became the foundation of the *Bank of England*. 28th of the same month, stamp duties were instituted for the first time, and the hackney carriage-office established. A military failure of the English at Brest; General Talmash and 600 men lost.

July 12th.—Dieppe bombarded by the English, some of whose ships blew up. "It was alleged that the loss of the English was three times as much in value as the loss of the French, who were bombarded."

September 5th.—Sir Cloudesley Shovel, the English admiral, attempted to burn Dunkirk, but failed.

November 12th.—Parliament met. The king, in his speech, earnestly asked for greater supplies to carry on the war with France. On the 30th, the Commons voted a supply of £4,700,000 for the land and naval forces in the year ensuing. A famine of corn began, which lasted seven years. Many perished of hunger and disease in England, but particularly in Scotland. The military in

England remained unpaid, and extorted sums by force from innkeepers and others, to the terror of the people.

April 22, 1695.—An act for granting certain duties upon marriages, births, burials, and upon bachelors and widowers for the term of five years, was passed, 'for carrying on the war against France with vigour.' A new bank, called the *Land Bank*, was projected as a fund upon which £2,564,000 could be raised for the public service. It was only to lend money on landed securities, or to the Government Exchequer. For securing the interest on the capital, duties were laid on stone and earthenware, and on tobacco pipes, by Parliament. This scheme was violently, and, at last, successfully opposed by the Bank of England; yet, it was probably the better project of the two at that period. Parliament was corrupted in both Houses by the Bank, by the East India Company, and other privileged traders. The Speaker of the House of Commons was expelled by the corrupt members, because he *confessed* to taking a bribe of £1,000 to pass the East India Company's charter. The chairman of the company proved that £70,000 had been distributed by the company amongst members and lords of Parliament who expelled the Speaker; seeing which the king thought he might turn the company to his advantage in money affairs, which he did.

Brussels (capital of Belgium) was bombarded by the French, and 2,500 houses destroyed, with many thousands of lives, *in retaliation for the bombardment of French towns by the English!* The Confederates lost 12,000 men at the siege of Namur, one of them the Governor of the Bank of England, who was negotiating a loan with King William during the siege.

November 22nd.—A new Parliament assembled, with the Whigs predominant, the king in his speech "insisting on the old topics, namely, the bravery of the English troops, the necessity of the war to curb the ambition of France, and the necessity of large supplies to support it."

December 31st.—A tax on windows imposed to raise £1,200,000, to defray the expenses of the new silver coinage. The alleged loss of the nation upon the recoinage was £2,200,000.

October 20, 1696.—Parliament met, and was again pressed by the king for supplies to carry on the war. They voted five millions for the charges of the ensuing year, and resolved "that the supplies for the service of 1697 should be raised within the year," which was effected by a land tax of 3s. in the pound, and a heavy capitation tax in addition to the existing burdens. The Land Bank having failed to raise the loans it promised, Government bills were at a great discount, 40, 50, and 60 per cent.; bank bills were at a discount of 20 per cent. They were for the first time openly hawked about, and offered to the highest bidder, in Exchange-alley, where many were bought by men who made fortunes out of them. Thus began the Stock Exchange, and the vices of stock-jobbing. Parliament increased the bank stock another million, and extended the charter thirteen years, also imposed new taxes to pay the interest of bills, upon which bank stock at once rose to par. The Treasury was authorised to issue three millions worth of exchequer bills, "which being allowed in taxes and circulated by the bank at a premium, contributed to restore public credit." *The Flying Post* having reflected on the credit of the exchequer bills, the printer, Salisbury, was summoned before the angry Commons, and a bill at once brought in to prohibit the printing of politics without a license, but on the second reading the House was calmer, and allowed the bill to be thrown out.

July 26th.—The king concluded a peace with the French King, privately, at Ryswick, *without the knowledge of the Confederates*. The French had lost 59, and the English 53, ships in the war. Commerce had decayed to little over a third of its amount before the war.

December 2nd.—A day of thanksgiving for the peace with France. On the 3rd the king lamented the debts and taxes, but thought England could not dispense with the standing army. On the 11th the Commons resolved that all land forces raised during the last eighteen years should be disbanded; this had the effect of reducing the army from 87,000 to 8,000 men. The Whigs opposed this reduction, and lost much of their popularity. The Lords voted an address to the king, that he should discourage the woollen manufacture in Ireland, to favour the consumption of their wool in England! The Commons imposed 10 per cent. on all goods exported by the African Trading Company.

July 5, 1698.—The royal assent was given to an act for raising £2,000,000 upon a fund for payment of annuities at the rate of 8 per cent., “and for settling the trade to the East Indies.” The old East India Company, chiefly Tories, had offered to lend Government £700,000 at *four* per cent., in case the trade to India might be confirmed to them, exclusive of all others. But another company, called the Associated Merchants, most of them Whigs, then in the favour of the Court, offered to lend Government £2,000,000 at *eight* per cent. Though this interest (to be paid by the nation) was double, the monopoly was given to the latter, because the loan was larger. The old company offered to raise the loan to the same amount, but it was refused, and they were deprived of the right to trade to India after 1701, which was truly thought a great hardship. The whole two millions were subscribed for in two days; the subscribers were incorporated, and the two companies were made one by act of Parliament.

No other financial measure of importance occurred in this reign. In September, 1701, William entered into the Grand Alliance of European Sovereigns against France; war was again declared; new loans and fresh taxes required; but before they were imposed the king died by a fall from his horse, March 8, 1702.

The revenue and loans expended in his reign were—

Customs	£13,296,833
Excise	13,649,328
Land tax	19,174,059
Polls (direct taxes).....	2,557,642
Tax on marriages, births, and deaths.....	275,517
Miscellanies (inclusive of permanent loans)	9,745,300
Temporary loans unpaid.....	13,348,680
	<hr/>
	£72,047,359
	<hr/>
Total funded debt	3,864,263
Terminal annuities and debts.....	9,861,047
Unfunded debt	2,669,391
	<hr/>
Total.....	£16,394,701

As to the rate of interest for money borrowed, Sir John Sinclair (quoting Davenant and other authorities of the period) says: “Life annuities were granted at 14 per cent. In order to raise a small additional sum upon the same funds thus mortgaged, acts were passed by which these annuitants, or any other persons for them, were offered a reversionary interest after the failure of the lives for *ninety-six years*, from January, 1695, on paying *four-and-a-half years’ purchase* (£63) for every £14. Afterwards, in 1698, four years’ purchase (or £56) was only demanded for the conversion. The same system was afterwards adopted in the reign of Queen Anne. Some of these long annuities were, fortunately, incorporated with the stock of the South Sea Company, but some still remain (he is writing in 1789), to the amount of £131,203 7s. 8d. per annum, for which the sum of £1,836,275 17s. 10½d. had been originally contributed, *and for the use of which the public must pay above THIRTEEN MILLIONS before they are all extinct.*”—*History of the Revenue, Part II., p. 59.*

But in a future section the Association will review the period when those annuities fell in; when, instead of experience suggesting wisdom, the ignorance of the public in matters of finance—the susceptibility of Englishmen to be carried away by a *cry*—led to a still wilder prodigality.

There is still another remark to make of the debt contracted in the reign of William III. “Davenant affirms that the debt was swelled more by high premiums than even by the exorbitant interest that was paid.”—(*Sinclair.*) “Five millions given by Parliament, produced, for the service of the war and to the uses of the public, but little more than two millions and a half.” The premiums were given to redeem public credit, so low had it fallen. But why had it fallen? Because the accounts of contractors and creditors of Government were not paid when due, nor for long after; and why were they not paid? Listen:—

“This evil (depreciation of credit) was increased by the acts of those who were in power. It is asserted that it was a usual practice to put off settling a fund for

any particular debt due by the public until the shares of those who were interested as creditors sold at a very great loss! *Those who were in the secret then bought them up, and the deficiency was immediately supplied!*"—*Sinclair, Part II., p. 60.*

Thus, in addition to the Catholics being stripped of their estates, and the land divided among the most powerful of the aristocracy, in addition to the burdens of the State being transferred from land to industry, the public were defrauded by the official depreciation of Government credit, that the *great families* might swindle both creditors and tax-payers.

SECTION VIII.

TAXES LEVIED AND DEBT CONTRACTED FROM 1702, ACCESSION OF ANNE, TO 1714.

In this reign an addition to the permanent debt was made other than from money borrowed then, or then expended. It was a sum illegally taken—plundered, in truth, from the Exchequer by Charles II., in 1672. His father, Charles I., had taken the money of the merchants against their will, which they had deposited for safe keeping (banks not being then established) in the Mint. To obviate such another seizure of money by a king, the merchants deposited their money with their servants; but during the civil war these had such facilities offered them to escape from justice, to embezzle the money first, and then join one or other of the armies, that they were found to be unfaithful, the money unsafe. Next it was deposited with the goldsmiths, who used it to discount bills and make advances to "necessitous merchants;" they also became the receivers and holders of rents for the landed gentry when remitted to London. They rose in reputation until 1667, when the Dutch (to avenge certain outrages committed on them) sailed into the Thames and Medway and burned the English fleet at Chatham. This caused a sudden *run* on the goldsmiths, which greatly impaired their credit and resources. They continued the same kind of business, however, until 1672, often lending the money entrusted to their care to the Government of Charles II. So, also, did other wealthy persons. The interest paid by Government was from eight to ten per cent., the goldsmiths in most cases holding the money of their customers without payment of interest; or in some cases it was borrowed at the then legal rate of six per cent. and loaned to the Government at ten per cent. As the weekly or monthly payments of taxes came into the Exchequer, these loans were paid off. But in the year named, 1672, when no less a sum than £1,328,526 was in the Exchequer to repay such loans, Charles II. seized and fraudulently converted it to his own use and that of the audacious profligates, male and female, of his Court—the impure progenitors of several of our most distinguished aristocracy of the present day. "By this tyrannical act of Charles II.," writes a historian, "ten thousand families were involved, and many of them were entirely ruined." The king for a time paid six per cent. on that plunder out of the hereditary excise, and subsequently a moiety of it was converted into a *national debt*, on which the tax-payer pays interest to this day, in addition to pensions and other hereditary provision for the progeny of Charles II.

We may call it tyrannical, dishonest, or what we may, of Charles to take the money from the Exchequer, but what term of condemnation is strong enough to be applied to the Parliament or Government of a subsequent reign, which converted that plunder into a *perpetual* national debt?

But the new taxes and debt contracted in the reign of Anne are the theme of the present section. To comprehend the merits of these financial contracts, the war, and causes of war, then engaging the energy, and swallowing up the resources, of the British nation, must be glanced at. From Lord John Russell's "Memoirs of the Affairs of Europe," and other acknowledged authorities, we obtain the following key to the wars, the taxes, and the debt, of that period. Speaking of Queen Anne, it is said:—"Though her preferences and dislikes had often no better foundation than the predilections of the toilet, it was upon them that the policy of her administration and the destinies of Europe depended. By a chambermaid's intrigue Bolingbroke triumphed over his rival, the Earl of Oxford. It was because the queen fondly doated on the Duchess of Marlborough, that her reign was 'adorned by the glories of Blenheim and Ramillies.' It was because Mrs. Abigail Masham artfully supplanted her benefactress in royal favour, that a stop was put

to the war which ravaged the continent; it was in great part owing to the Duchess of Somerset, another favourite lady, that the queen did not attempt to recal her brother, the Chevalier St. George. Thus, probably, a feeble-minded princess, influenced only by her waiting-women, determined that the Pretender should be excluded from England, a Tory and High-Church Ministry formed, and a Bourbon seated beyond the Pyrenees." More; it was from such sources that new or augmented taxes upon most products of industry, candles, soap, paper, starch, stamp duties on newspapers, pamphlets, and advertisements, were demanded, and the debt increased nearly *sixty millions* sterling. And what was the war about?

"The point at issue between France and the confederate powers was the succession to the Spanish monarchy; whether Philip of Anjou, a grandson of Louis XIV., or Charles, Archduke of Austria, the second son of Leopold, Emperor of Germany, should inherit the crown of Spain. England exerted her utmost force in this contest, both in men and money, though it was nearly indifferent to her interests whether Austria or France were aggrandised by the acquisition of Spain and America. In England most wars have been popular at the beginning, and the reverse at the end. It was so with this war of succession." In fact, the purpose of the English, in the war, contemptible as it was, failed; the Bourbon succeeded to the throne of Spain. Moreover, it had been clearly manifested that the French prince, whom England opposed, and not the Austrian, whom she supported, was the choice of the Spanish nation.

The following are the sums received and expended during the reign of Anne, from March, 1702, to August, 1714:—

Customs	£15,113,811
Excise	20,859,311
Land tax	21,285,909
Other taxes and receipts	5,261,346
Loans	59,853,154
Total.....	122,373,531

Besides taxes on candles, soap, starch, printed linens, and a number of minor articles, newspapers, pamphlets, and advertisements, a bill was introduced, and passed the Commons, for a resumption of all the grants of Crown lands made subsequent to 13th February, 1688—a momentous measure for the public benefit, but it was rejected by the Lords.

Sir John Sinclair, always partial to the interests and character of the landowning and land-legislating class, as also to the Whigs, who acted so prominent a part in the dissipation of national property, to feather their own family nests, and to transmit the inheritance of national debt to national posterity, is yet constrained, in candour, to write thus:—

"Some endeavours were made during this reign to examine into the value of lands, and of all grants made by the Crown since the 13th February, 1688 (period of the Revolution), with a view of resuming the same, and of applying them to relieve the public necessities, unless they were bestowed after due consideration. A bill for that purpose was passed by the Commons, but rejected by the House of Lords. A resolution of the former to lay a tax upon all grants from the Crown since 1684, of one-fifth part of the value of the grant at the time it was made, had been previously evaded, the leading men in both Houses being too deeply interested in grants of that nature to suffer such a bill to pass into a law."—*History of the Revenue*, iii., 18.

Instead of which they imposed new taxes, or augmented those already imposed, on all leading products and processes of industry; and to repress the public voice, which exclaimed against the greedy misappliance of the public property to themselves and connexions, they laid a heavy tax upon newspapers and pamphlets; and set in the pillory, or banished, or whipped, or branded with hot iron, or hanged, or beheaded, those who had still the presumption to complain of the selfishness of those "great patriots of civil and religious liberty."

The Commons passed resolutions to impose an income tax of fifty per cent. upon the value of all stock in trade; twenty-five per cent. upon all money at interest; 4s. in the pound upon all annuities, pensions, and yearly stipends; 5s. in the pound

upon all salaries, fees, and perquisites of office; and 4s. in the pound upon persons exercising any profession whatsoever, whether legal, medical, commercial, or ecclesiastical; and that all persons, the poor excepted, should pay, within one year, the sum of 4s. It was also voted that a duty at the rate of one per cent. should be imposed upon the shares of the capital stock of all corporations or companies, to be continued for five years. But the proposed tax on income was abandoned, and a bill brought in for laying a duty upon buying and selling, or bargaining for shares in joint-stocks or corporations, was also dropped, the Bank and the East India Company having petitioned against it, as contrary to the public faith, and the acts by which they were established. Another attempt of the same kind (1702) proved equally unsuccessful.

"Thus," says Sir John Sinclair, "all idea of an equal pound rate, or a tax in a fair proportion to every man's yearly income, or the profits which he acquired from his estate, business, or profession, was given up."

Ten years before (1692, in William's reign) an income tax had been imposed on the great monopolist commercial companies, five per cent. on India stock, 20s. per share of the joint-stock of the Royal African Company (amount of share not stated), and £5 for every share in the joint-stock of the Hudson's Bay Company, to be paid quarterly and deducted from next dividends. These taxes continued only for one year.

But there was a direct tax existing in Anne's reign, imposed in William's, which may be recited in detail, as it was the last instance of a poll tax :—

	Quarterly Taxes.		
	£	s.	d.
Poll to be paid by all persons, except the poor, including such as are not worth £50	0	1	0
All persons worth £300, reported gentlemen	1	0	0
Tradesmen, shopkeepers, &c.	0	10	0
Persons chargeable with finding a horse for the militia—for each horse	1	0	0
Persons keeping a coach and horses who do not contribute a horse to the militia.....	1	0	0
Persons keeping a hackney or stage coach—for each coach	1	5	0
Peers of the realm, spiritual or temporal	10	0	0
Attorneys, proctors, and other officers of the civil and ecclesiastical courts.....	1	0	0
Clergymen, preachers, and teachers of any kind enjoying £80 per annum	1	0	0

In all cases Catholics were to pay double, or other non-jurors. This tax, except in the case of Catholics, was not rigorously enforced. It dwindled from £256,323 in 1692 to £14,850 in 1092.

The taxes of that period on marriages, births, and burials, were of the nature of a direct tax, and were graduated according to social rank. For burial of wife or widow of a duke or archbishop, £50 4s.; eldest son, £30 4s.; younger children, £25 4s. For birth of eldest son, £30; younger son, £25 2s. For marriage of the party, £50 2s. 6d.; eldest son, £30 2s. 6d.; younger son, £25 2s. 6d. For the same in the family of a marquis, £10 less for burial and marriage; £5 less on the other items. An earl £10 to £5 less than the marquis. A viscount about half as much as the duke. And so down through the following gradations:—"A baron and bishop; a baronet or knight of the Bath; a knight, bachelor, or dean; the king's sergeants-at-law; other sergeants-at-law. An esquire, £5 4s. for burials; £5 2s. 6d. marriages; £1 2s. birth of eldest son; other items about the same. A gentleman, £1 4s. for burials; £1 2s. for births; and £1 2s. 6d. for marriages. Doctors of divinity, law, or physic, the same as esquires. Persons of £50 per annum, or £600 personal estate, £1 4s.; and 14s. for burials; 12s. for births; £1 2s. 6d. for marriage of self; 12s. 6d. for marriage of sons. Persons not otherwise charged, 4s. for burials; 2s. for births; and 2s. 6d. for marriages. Each parish was obliged to pay for the burials of the poor and their families, but the births or marriages of such persons as received alms were not liable to pay duty.

There were, also, taxes on bachelors above the age of twenty-five years, and upon such widowers as had no children. These were—

	Himself.			Eldest Son.			Young. Son.		
	£	s.	d.	£	s.	d.	£	s.	d.
A Duke	12	11	0	7	11	0	6	5	0
Marquis	10	1	0	6	6	0	5	1	0
Earl	7	11	0	5	1	0	3	16	0
Viscount	6	6	0	4	8	6	3	7	8
Baronet and Knight	3	16	0	1	6	0	1	6	0
Knight Bachelors	2	11	0	1	6	0	0	6	0
King's Sergeants.....	5	1	0	0	6	0	0	6	0
Other Sergeants	3	16	0	0	6	0	0	6	0
Esquires	1	6	0	0	6	0	0	6	0
Gentlemen	1	6	0	0	6	0	0	6	0
Doctors of Divinity, Law, or Physic	1	6	0	0	6	0	0	6	0
Persons of £50 per annum, or £600 personal estate.....	0	6	0	0	3	6	0	3	6
Persons not otherwise charged.....	0	1	0	0	1	0	0	1	0

From this tax all fellows, students, and scholars, in the different universities of Great Britain and Ireland, and persons receiving alms, were exempted. This and the preceding tax were originally imposed for five years, from the 1st May, 1695, but were afterwards prolonged to the 1st of August, 1706. They produced, during the first five years, the annual average of £51,618. During the remaining period, "they were exacted in so careless a manner, that only £17,422 16s. 2½d. was accounted for."—*Sinclair*.

The exportation of corn had been, with few exceptions, prohibited up to 1660. A duty on its exportation was then imposed, also on that of woollen manufactures. In 1700 those export duties were repealed, and soon after a law was passed and variously continued during the greater part of the century, by which a bounty was paid out of the taxes to those who exported corn. This policy of the legislative landowners had the effect, as was intended, to increase the market price of corn and the rent of land. Had the land tax continued at 4s. in the pound, the effect of this bounty on the markets was more—probably much more—to their advantage than the land tax was a burden; but Sir Robert Walpole, at the head of the Whigs, to keep that voracious party together, reduced the land tax to 1s., and instead, imposed a heavy excise duty on salt (of which hereafter). It is a remarkable fact that this political party, ever loudest as the champions of "civil and religious liberty," and once or twice the advocates of real measures of reform, have, throughout their history, from the Revolution of 1688, to the vote of £12,000 a year to the Duke of Cambridge in 1850 (in addition to his private fortune and professional emoluments), been the ministers of financial extravagance or great commercial blunders. Even their brief admission to power in 1806, after an exclusion of twenty-three years, to be followed by an exclusion of twenty-four years, was signalled both by extravagance and the greatest blunder of modern times—the Orders in Council, which struck the nation with paralysis. When they last acceded to office, in 1846, it was hoped by indulgent reformers that, as a party, they had improved in wisdom by observation of the national exigencies, and reflection on their historical mistakes or misdeeds. But it seems the interests of "family," and the reckless disposal of public money, is a characteristic of them, as when they gave Queen Adelaide £100,000 per annum, and would have given the Prince Consort £50,000, or when they loaded the people's salt with excise duties to reduce the land tax to a quarter of its original amount.

A few of the financial and political incidents of Anne's reign may be cited here.

December 10, 1702, the queen sent a message to the Commons that with the title of duke to the Earl of Marlborough, commanding the army abroad, she thought fit to confer a pension out of the post-office revenue of £5,000 on him and his posterity. This having occasioned warm debates, the queen intimated that the duke declined the perpetuity of the pension. The Commons, in reply, said they had only objected "from their apprehension of the danger of making a precedent for the alienation of the revenues of the Crown, so much reduced by the exorbitant grants of the last

reign." It was in their sight as improvident to grant away the land in perpetuity as to grant away the post-office revenue. They yielded to the queen and her ministers as the grant was not to be *perpetual*. But in the finance accounts for the year ending 5th January, 1850, there is a payment out of the post-office revenue to "His Grace the Duke of Marlborough, £4,000." This has been paid ever since that period. There is, also, in the same accounts a charge on the post-office "to the heirs of the Duke of Schomberg, £2,900," one of King William's Dutch followers. The Bentincks and other followers received enormous estates of land, which, when granted, were as truly public property as the post-office revenue. Another perpetual charge on the post-office is "His Grace the Duke of Grafton, £3,407 10s." And in the same accounts, under the head of Excise, is a charge to "Duke of Grafton, £7,191 12s." Pensions to the Cowper family and that of the Earl of Bath follow. The Graftons are indebted, as the Dukes of Richmond and St. Alban's are, for their origin, titles, and land (or part of their land), to the illegitimate amours of that "father of his people" who plundered the Exchequer and ruined the credit of the goldsmiths in 1672, as noted at the beginning of this section—Charles II. But to return to the financial incidents in the reign of Anne.

The manor of Woodstock, Oxfordshire, was purchased and conveyed, with the new palace called Blenheim, to the Duke of Marlborough and heirs for ever, the total cost uncertain, but enormous. In addition to this, and the post-office annuity, the duke and his duchess held places under Government which yielded a known revenue of £62,525 per annum, and perquisites of great pecuniary value unknown. Relating to the latter, it was reported to the House of Commons, 21st December, 1711, "that the Duke of Marlborough had taken to his own use, of the persons he had contracted with for the soldiers' bread, £63,319 and upwards; that he had reserved to himself also two-and-a-half per cent. out of the pay of the foreign troops, amounting to £460,061, in all £523,380, being public money, and which he had never accounted for; that he had allowed his secretary, Mr Cardonnell, to receive of the contractors 500 gold ducats on the signing of every contract; and Mr. Sweet, the deputy-paymaster in Holland, to deduct one per cent. for all the money paid the contractors for bread; that Robert Walpole, Esq." (afterwards and for many years Prime Minister), "when he was Secretary of War, received of the contractors for forage in Scotland, to his own use, 500 guineas, and a note for 500 more; that Sir David Dalrymple had 200 guineas of the Scotch contractors; and that the Earl of Leven, commander-in-chief in Scotland, received £100 per annum of them." On the 30th of the same month Mr. Walpole and Mr. Cardonnell were expelled the House of Commons, and on the 17th of January Walpole was committed to the Tower.

On the 4th of March, 1712, the Commons attended the queen with a report complaining that while the charges for the war were, at the beginning, in 1702, £3,700,000, they were now increased to £6,900,000, by being obliged to supply the deficiencies of the Allies; that the States-General, being frequently deficient of two-thirds of their quota of ships, the English navy suffered, and many merchantmen, with cargoes and crews, were in consequence lost; that, besides the deficiencies in the Low Countries and in Germany, almost the whole burden of the war in Spain and Portugal had fallen of late on England; that the Dutch, year by year, sent fewer troops there; and the Emperor of Germany, who was most nearly concerned (to obtain Spain, for whose family the war was carried on), had no troops there; while England maintained 60,000 men in the Spanish war, and paid all the charges of shipping, which last alone amounted to £8,000,000: in short, that England had expended in the war, beyond its quota, above £19,000,000, "all of which," said they, "the *late Ministry* had not only connived at, but in many instances contrived and encouraged upon private views." The "*late Ministry*" were the Whigs, who divided so much of the forfeited land among themselves in William's reign. The Tories had now ousted them from office. The French had, in various ways, sued for peace. Queen Anne was favourable to it; so was the majority of the English people; but those who had the handling of public money, and the horde of money-lenders and stock-jobbers whom the increasing debt called into existence, all of them powerful in Parliament, were still for war. Every prejudice or sentiment of the English people hostile to France was excited by the interested parties, that more public money might be expended, more debt contracted. That period is long past; the men are in the dust; their party politics have long ceased to have a poli-

tical vitality; their virtues, if they had any, were extinguished with themselves. Why, then, speak of them? Why? Because they bequeathed their war debts to us and future generations,—a political crime against which the moral sense rises in revolt; a crime which their successors have been permitted to imitate.

March 30, 1713.—A peace was made with France by the treaty of Utrecht. The queen died 1714. The terms on which the debt of £59,853,154 of this reign was contracted will appear in connexion with the succeeding financial policy under George I. and II. The taxes expended in Anne's reign from 1702 to 1714, in addition to the debt contracted, amounted to £62,520,377; total expenditure, £122,373,531.

SECTION IX.

THE SCOTTISH REVENUE FROM THE EARLIEST RECORDED TIMES TO THE UNION WITH ENGLAND.

In the period of financial history embraced in the preceding section, the union of England and Scotland occurred, 1707. A brief summary of the royal and governmental revenues of Scotland, prior to that happy event, seems necessary to the completeness of this *historical review of the fiscal system*.

Robertson, the historian of Scotland, asserts that the revenues of the Scottish kings were scanty and precarious, and that they were kept in continual indigence, anxiety, and dependence. This must be an exaggeration. Were we to estimate their income by the necessaries and luxuries it could procure, it was frequently greater than that of Queen Victoria. Some, as David I., possessed vast domains, and granted them to religious houses. Others were the victims of rapacious nobles and personal misfortunes.

The history, even the names, of the early Scottish kings, are too obscure, the very existence of some who have been named so doubtful, that we need not dwell on them. David I., who died in 1153, had been possessed of so much land, that he erected four new bishopricks, nine capital abbeys, four priories, and two nunneries, and yet reserved large domains.

The first tax imposed in Scotland, of which there is any record, arose out of the devastating border wars, and the feudal principle of the time, which recognised all property as that of the king, but which made the king's misfortune that of his subjects. William, surnamed the Lion, troubled himself and his neighbours with a foray into Northumberland, and a siege of Alnwick Castle. He was taken prisoner July 13, 1174, and, to procure his release, both he and the Scottish people became bound to acknowledge the feudal superiority of the English king, Henry II. Richard I., Henry's successor, to assist his expedition to the Holy Land, and to conciliate the favour of so jealous a neighbour as the King of Scotland, agreed, in consideration of 10,000 marks sterling, to abandon and solemnly renounce all claim to the homage of the Scottish crown. This sum was raised by a tax, but the manner of levying it is not known. Alexander III. had a revenue of 12,000 marks in money. All the lands of that kingdom were about this time, 1250, valued for taxation; that valuation was long after adhered to, and is known as *the old extent*. A tax or aid of 14,000 marks, was levied as the portion of Alexander's daughter, Margaret, on her marriage with Eric, King of Sweden.

(To be continued.)

FINANCIAL REFORM TRACTS.

No. 30.

HISTORICAL REVIEW OF THE FISCAL SYSTEM.

SECTION IX.

(Continued from No. 29.)

THE SCOTTISH REVENUE FROM THE EARLIEST RECORDED TIMES TO THE UNION WITH ENGLAND.

Robert Bruce found the royal domains so wasted by the wars with the English, and the opposition to any provision for the Crown, other than the domains, so strong, that he *petitioned* earnestly to be allowed some pecuniary income; whereupon, in consideration of his great valour, his great necessities, and his respectful petition to his subjects, a Parliament was held 1326, which granted him for life a yearly subsidy of the "tenth penny." The original indenture of this curious transaction is in the Advocate's library at Edinburgh.

David II. was a less fortunate warrior. Instigated by the King of France to invade England, he was taken prisoner in a battle near Durham. He remained in captivity ten years, and was only released by being bound to pay a ransom of 100,000 marks; but having failed in his instalments it was afterwards increased to £100,000 sterling by penalties, accompanied with this single alleviating circumstance, that twenty-five years were allowed to pay it in. The whole sum was finally discharged, 1383, by his successor, Robert II., and an acquittance given by Richard II. of England. This ransom was raised by taxes on land. The defence of the country was in like manner a burden in most part borne by land, private property in land being conceded in Scotland, as elsewhere, only on condition of the owners devoting their property to the public service when required.

The value of money is indicated by the detailed accounts of the Scottish royal household in David II.'s time, kept by Reginalde More. A tun of wine cost £3 6s. 8d. Scotch; the English quarter of wheat £1 1s. 4½d.; and a mart (fat ox) 10s., and a sheep 14d. Scotch. The Scotch shilling was only equal to the penny sterling, so that the ox was sold for *tenpence*. The mark was equal to 13s. 4d. sterling. The reader will readily bear its value in mind by observing that it was two-thirds of the pound sterling.

James I. was the victim of a perfidious relative who acted as guardian. Endeavouring to escape from him he fell into the hands of the English, who detained him a prisoner fourteen years, and released him only on receiving ten hostages from as many noble families for the payment of 60,000 marks (£40,000 sterling): only 950 marks are known to have been paid. Two acts of the Scottish Parliament were passed, the first entitled "Of Finance to be Made for the King's Costage in England," by which a tax of twelve pence in the pound was laid on all goods and rents, excepting drawing oxen, riding horses, and utensils of house. The other was a tax on each boll of wheat, rye, bear, pease, and oats, each cow, sow, ploughing ox, and "wild mare and her follower." The rates, as given by Buchanan, Lord Kaimes, and other historians, are manifestly incorrect, as they are equal to, or above, the market price of each of those things. Notwithstanding the hostages, the

Scottish people, partly because of their "great poverty," and partly because they were "not wont to pay such taxes," refused to comply with those financial acts. It is supposed that the hostages died or escaped unknown during the wars of York and Lancaster in England, which arose to a height about that time.

Though those taxes were refused by the Scottish people with threats of revolt, James made two other attempts of similar imposts; one upon the marriage of his daughter Margaret with Louis, eldest son of the King of France. But, "unwont to pay such taxes," Scotland proposed rather to give their princess a dowry of 6,000 men, to be armed, if need were, and clothed and fed in France. Accordingly, the bride set sail for France without her dowry of money or goods, but followed by the 6,000 men "much needful of claes," but "greatly useful in France, where the English did sore press." The other act was a tax upon land, amount not recorded, to repress the turbulence of the Highlanders, and is known as one of the "black acts." Lord Kaimes, differing from popular tradition, says those acts were so called because printed in old black Saxon characters.

The reign of James II. was chiefly remarkable, financially, for the king's poverty, which occasioned, in the words of an old act, "the povertie of the realme in general; and manie other inconvenients are there throw, the quhilkis were too lang to expreeme."

The accounts of income and expenditure in James III.'s reign are curiously explicit. They were written by John, Bishop of Glasgow, the treasurer. Taking the year 1474, the receipts for "compositions of charters, wards, marriages, reliefs, escheats, remissions," &c. (for the nature of those revenues in England see Section I. and II. of the present series), amounted to £3,240 19s. 9d. Scotch money (one penny sterling being equal to one shilling Scotch). The expense for the "king's person" was £118 18s. 6d., that of the queen £113 1s. 6d., that of the prince £41 1s. 8d., making in all for the expense of the royal family £273 1s. 8d. Scotch, leaving a balance of £2,967 1s. 8d. Scotch, which was applied to the household, and probably to national purposes.—(*Maitland, Vol. 1. p. 322.*) The household expenses are minutely stated, such as "ten el of canves to make Nikky and Bell a bed to lye on in the king's chalmer, price of the el 14d., sum 13s. 4d." The same money the same year bought two oxen or cows, or nearly three-and-a-half English quarters of wheat. Estimated by wheat in 1850, the "canves to make Nikky and Bell a bed to lye on in the king's chalmer," would be worth from £7 to £8; or by oxen, worth three times as much of present money. James III.'s income was equal to the purchase of 10,000 oxen, or other articles in proportion. In addition to this, Sir John Sinclair conjectures he received rents in kind; nor was he, as a feudal monarch, liable to any heavy charges for the public defence.—(*History of the Revenue, iii. 317.*)

In the year 1481, this king was obliged to appeal to his people for assistance to provide against the formidable invasion of Edward IV. of England. It was enacted on that occasion that every individual in the kingdom should, upon eight days' notice, be ready to attend the king with arms and provisions for at least twenty days; 600 men were to be raised for the service of the borders, of whom 240 were to be maintained at the expense of the Church, as many by the barons, and 120 by the burghs, "the proportion which was usual in all taxes levied about that time."—(*Sinclair.*)

James IV., who married Margaret, daughter of Henry VII. of England, and laid the foundation of that union of the two kingdoms now so well approved by every reasonable being, was largely possessed of land. He was killed on Flodden Field soon after.

James V. succeeded when scarcely two years old. In his long minority the royal property was so much wasted or embezzled by those who governed, that, on coming of age, he found himself immersed in the greatest difficulties. The royal palaces were stripped of their furniture and falling to ruin, the exchequer was empty, and no source of replenishment left.—(*Buchanan.*) In this predicament, "James had but one alternative, either to attack the clergy or the nobles, since they engrossed between them the whole wealth of the country; and as each extolled the wealth and ability of the other, the king listened to each, and probably intended to enrich himself by pillaging both. The clergy, to avoid an interview between James and his uncle, Henry VIII. of England, which he threatened them with, and which they dreaded, agreed to offer a considerable present, besides an

annual donative of 50,000 crowns; and they also represented that 100,000 crowns a year might be drawn into the exchequer by confiscating the property and estates of those who were attached to the principles of reformation."—(*Guthrie's History.*) The nobles, on the other hand, held forth the example of Henry VIII. of England, who had enriched himself by pillaging the clergy, as an example worthy of imitation. The death of James, which happened soon after, freed both parties from apprehensions which were far from being ill-founded.—(*Sinclair.*)

Among the various, curious, and important events, which distinguished the reign of Mary—unhappy Mary!—who succeeded to the troubled sovereignty, a plan attempted to be enforced by the queen regent, her mother, during her minority, of imposing a permanent tax upon land, and maintaining a standing army, was not the least remarkable. The greater nobles had so far degenerated from the spirit of their ancestors, and dreaded so much the resentment of the court, that in a general assembly of bishops, earls, abbots, and lords, who called themselves Lords of the Secret Council, the plan was approved of; but the lesser barons were not so timid. About 300 of them assembled in a body, and represented to the regent, by deputies whom they chose for that purpose, the impolicy, the disgrace, the injustice, of such a project. The celebrated Buchanan, in relating this circumstance, has put every argument which has since been urged against standing armies and mercenary forces into the mouths of the commissioners. The regent perceiving how generally distasteful it had proved, reluctantly, though prudently, abandoned it.—(*Robertson.*)

In no country in Europe had the clergy accumulated a greater proportion of the wealth of the nation than in Scotland. One-half of the landed property in the kingdom was in their possession; and they bore two-fifths of the public charges, when taxes were imposed.—(*Robertson.*) In the reign of Mary their exorbitant treasures were for the first time materially encroached upon. It was at a time when the Crown was reduced to the greatest difficulties to defray the public expenses, and to provide for the maintenance of the Protestant ministers, who enjoyed as yet no means of subsistence. The whole of the ecclesiastical revenues, of that time amounted to £217,473 13s. 10d $\frac{1}{2}$. Scotch, of which the third, or £72,491 6s. 7d., was appropriated to these public purposes. So write the historians of Scotland, followed by Sir John Sinclair; but part of that third of the ecclesiastical revenue, and soon after all the remaining two-thirds were appropriated in Scotland, as similar land in England was, by the nobles and other gentry uppermost in the political struggles. Their descendants or assignees hold that land to this day. Mary unwillingly consented to that disposal of the church lands. During this unhappy reign many odious modes of raising money were resorted to. The nobles had taken the land to themselves, and the burghs, having less power of resistance, were subjected to frequent and oppressive levies. An attempt was made to compel the city of Edinburgh to lend money to the Crown, "but they resisted so unprecedented an exaction until sufficient security was given for the sum that was borrowed."—(*Robertson.*)

At the accession of James VI. the public treasury was exhausted. Under the regency of the Earl of Morton exorbitant fines were exacted for trivial offences, and every artifice of finance known at that time in Scotland, or practised in other countries, was adopted that could squeeze money from the people. When James attained his majority the treasury was empty. The year 1597 was distinguished by the greatest tax that had ever been levied in Scotland. The sum of 200,000 marks was raised for the purpose of sending ambassadors to foreign courts to obtain the assistance of the different powers on the Continent, should it be necessary, to ensure James's succession to the English Crown, "of which 100,000 marks were to be paid from the ancient property of the church; 66,666 marks, eight shillings, ten pennies, by the barons and freeholders, and 33,333 marks, four shillings, and six pennies, by the burghs." This tax was the more readily submitted to as it was hoped that the expenses of the king, should he succeed to the English Crown, would afterwards fall lightly on Scotland. In 1621, a tax was granted of thirty shillings yearly on each pound land of old extent (the old valuation), to continue four years; and also the twentieth penny of all interest due on bills and other securities. These were the only parliamentary taxes during this reign.

There is an account extant of the revenue of the Crown of Scotland in the reign of Charles I., who succeeded his father James as king of England and Scotland.

The real value of the income, however, cannot be stated, for the account contains not only the money received, but also the wheat, bear, malt, oats, oatmeal, mutton, capons, poultry, connings (rabbits), doves, onions, geese, salmon, herrings, butter, kids, martins, stirks, &c., paid to the Crown. From the same manuscript it appears that in the year 1634 the pensions and gifts of the Scottish royal establishment amounted to the following sum:—pensions payable in money, £302,859; 275 chaldrons of victual (corn) converted into £32,300; total, £335,159 Scotch money. There were, also, other considerable burdens; and the whole was so heavy a load that his Scottish ministers recommended to Charles either to enforce the act that had been made for the resumption of the Crown lands, or to practise more economy.—(*MS. in Advocate's Library, entitled "King and Church Rents and Tax Rolls."*)

The dissipation of the crown and church lands had thrown a part of the burdens of the revenue by this time on trade and industry. In 1628 the customs produced £133,666 13s. Scotch money, of which £74,666 13s. was paid upon the import of wines, and £59,000 on all other goods brought into Scotland. There was but one Scottish parliamentary tax during this reign; thirty shillings Scotch on every pound land of old extent (old valuation), and the sixteenth penny of all interest of money. These were given to the Crown for six years: their produce is now unknown.

The commonwealth and military domination of Cromwell introduced a new system of taxation into Scotland, which at once swallowed up nearly all profits, rents, or other income, and filled the people with an unqualified disgust of military republicanism. The accounts of income for the year 1659, an average of the period, was £143,652 11s. 11d. *sterling*, being about five-and-a-half times the amount of revenue levied under Charles I. But great as this augmentation was, the expenditure charged to Scotland under Cromwell was annually £307,271 12s. 8½d. *sterling*, leaving a deficiency of £163,619 0s. 9½d.

Charles II. had £40,000 per annum for his life, voted by the Scottish Parliament, to be levied by duties on the importation of foreign commodities, and partly by monthly rates upon the towns and counties. In addition to this, in 1665 a tax of 40s. yearly was laid on each pound of land of old extent for five years. This was granted to assist the English in the war against the Dutch. The remaining grants of this reign, in addition to the ordinary revenues of the Scottish Crown, amounted to £474,000 *sterling*.

The levying of taxes on the interest of money was thus provided for in the reigns of James VI. and Charles I. It was ordained that every person who had money out at interest should appear before the sheriffs and give in to the clerk of the court an inventory of the sums of money for which interest was due, together with the names of the debtors; also the names of their own creditors, and the annual interest which such creditors received; which inventories, it was declared, should be a ground for charging each person with his proportion of the tax. Informers were to be rewarded with one-half of the amount of the frauds which they discovered; and such creditors as attempted to get relief (to get the tax allowed) from their debtors, were made liable to the penalties of usury. The legal interest was ten per cent. At a later period, 1690, an act passed in Scotland to appropriate as public revenue one-sixth part of all "free interest due and payable in the kingdom;" but such was the discontent it occasioned, and the danger of revolt, that it was found necessary to repeal the act that same year. Sir John Sinclair writes:—

"An attempt was made to tax personal property in an indirect manner, in 1672, when a land tax of £864,000 Scotch was granted to the Crown. It was enacted that every debtor in the kingdom (liable to the tax) should retain, during its continuance, one-sixth part of the interest he owed. The object was to ease the landed interest, and make money bear some share of the burdens of the public. It is singular that such a regulation, couched in the very same terms, should be continued in every land-tax act to the present hour (he is writing in 1789), in so far, at least, as relates to that part of Great Britain called Scotland."—(*History of Revenue, iii. 329.*)

This seems to have been an oversight in the wording of the act as it annually passed Parliament. It was in the reign of Charles II. that the practice arose of quartering soldiers on persons who were in arrear with their taxes in Scotland. This continued until a very recent period.

James VII. (James II. in England) had £48,000 sterling for his life voted by the Scottish Parliament.

To William III. they voted nine land taxes, amounting to £603,311 2s. 2½d. sterling, besides various other supplies. Three acts were passed granting poll taxes. The scale of that in 1698 was (we convert the Scotch into sterling money):—

Merchants and tradesmen worth £55 11s. 1d. to £277 15s. 5½d	£0	4	2
Ditto worth up to £55 10s. 11d.....	0	6	8
Ditto worth above that	0	16	8
Ditto worth above £1,111 1s. 10d.....	1	5	0
Ditto worth £1,666 12s. 9d.	1	16	8
Ditto worth £2,222 3s. 8d.....	2	0	0

No greater fortune for merchants was contemplated:—

Knights	2	0	0
Lords	3	6	8
Viscounts	4	3	4
Earls	5	0	0
Marquises	6	13	4
Dukes	8	6	8

The rates in England at the same time were different, peers being charged a about £40 each. Attorneys in England were charged £4, and writers in Scotland £1 and 10s. The poll taxes were never fully collected in Scotland.

As the tax on interest of money had to be abandoned, the English tax of hearth-money was transferred to Scotland instead. It was 1s. 2d. sterling on all hearths alike, except those of hospitals, and the dwellings of persons receiving alms; uninhabited houses were charged upon the owners.

In the reign of Queen Anne the land taxes, levied in Scotland before the Union, were four, amounting to £183,155 11s. 1d. sterling. At the Union the revenues of Scotland consisted of the Crown rents, the casualties of the feudal tenure (which had not been commuted for an excise on beer, as in England), the customs, an excise on ale and beer, the post-office, coinage impositions, and occasionally a land tax. Most of those taxes were farmed out at fixed annual sums. The entire revenue of Scotland was only £110,694 sterling at the Union, and the debts £160,000. The land tax was £36,000; "to put both nations on an equal footing," it was agreed that £12,000 additional land tax should be paid. The questions of succession to the Crown, and number of representatives for Scotland, were not so difficult to adjust; but, "when the English commissioners demanded that the same customs, excises, and allotted taxes, should take place throughout the United Kingdom, and Scotland to bear an equal share of the debts of England, the Scotch commissioners objected to the proposal; and had not the queen in person interfered, and exerted herself with unusual earnestness to have the difficulty obviated, it is probable the treaty would have been broken off."—(*Guthrie.*)

But it was at last settled that all parts of the United Kingdom should be liable to the same duties on exports and imports; that the excise on liquors, and the duty on salt, should be nearly the same in both countries; that when 4s. in the pound were imposed upon land in England, £48,000, free of all charges, should be paid in Scotland; and that Scotland should be exempted from the payment of several duties upon paper, vellum, parchment, coals, culm, and malt, to which the English were liable by several temporary acts then nearly expiring; at the expiration of which, however, the Parliament of Great Britain was empowered to extend the said burdens to "North Britain" (as it was now to be called), but with a general pledge and declaration that due regard would be paid to the circumstances and abilities of every part of the United Kingdom.—(*Article XIV.*) By article XV., various equivalents were granted for Scotland becoming liable to the English debt. The Union took effect from the 1st of May, 1707. "May both nations, sensible of the mutual advantages which they now enjoy, forget every remnant of ancient jealousy and rancour; and those whom the hand of Providence hath joined, may no man impiously put asunder."—(*Sir John Sinclair in 1789.*) Not less emphatically may this be said in 1850. But there are some financial discrepancies still existing between the two countries which should not exist between people so intimately allied.

SECTION X.

ON THE PERPETUITY OF THE NATIONAL DEBT.

The Association having traced the progress of taxation to the accession of George I., 1714, have arrived at a period when ministers, and not kings, became constitutionally established as financiers. This was the period when the Sinking Fund was instituted to reduce, but used subsequently to augment, the debt, facilitate the occurrence of war, and the imposition of taxes. It was also the period of rendering terminable into interminable annuities, or perpetual debt. It was the period of a ministerial Government successful in preserving peace and avoiding the augmentation of the debt (if not earnest in reducing its amount), until compelled by faction and the popular demand for war with Spain, and subsequently with France, to engage in armed hostilities, to impose fresh taxes, and to contract new debt. It was the period of Sir Robert Walpole, who, with but a brief interruption, was prime minister from 1715 to 1742, and was connected with the Government before 1715; the same Walpole who was imprisoned in the Tower at the end of Queen Anne's reign by the Tories, for having taken *douceurs* from the Scotch army contractors.

But before noting the progress of his financial schemes, or tracing their disastrous effects upon the country, or unfolding, for a warning to those who may still think the popular will is seldom in error, the disastrous consequences of a factious parliamentary opposition, which appealed to the prejudices and ignorance of an unreflecting, unreading, uninformed populace, against the policy of peace, it may be well to cite some of the opinions of reflective men who have pronounced judgment on the two great financial characteristics of that period, namely, the perpetuation of the debt and the Sinking Fund.

The historian Hume, in one of his Essays, published in 1742 (that on "Civil Liberty"), when the funded debt was about fifty millions, says of the facility with which *free* governments can borrow (meaning governments based on elective representation):—"Among the moderns, the Dutch first introduced the practice of borrowing great sums at low interest, and well nigh ruined themselves by it. Absolute princes have also contracted debt; but as an absolute prince may make a bankruptcy when he pleases, his people can never be oppressed by his debt (assuming him to borrow from foreigners.) In popular governments, on the other hand, the people, and chiefly those who have the highest offices, being commonly the public creditors, it is difficult for the State to make use of this remedy, which, however it may be sometimes necessary, is always cruel and barbarous. This, therefore, seems to be an inconvenience which nearly threatens all free governments, especially our own, at the present juncture of affairs" (Britain being then at war). "And what a strong motive is this to increase our frugality of public money, lest, for want of it, we be reduced by the multiplicity of taxes, or by our public impotence, or inability for defence, to curse our very liberty."

Ten years later the debt had risen to seventy-six millions, and a second series of the Essays appeared. In that on the "Balance of Power" Hume wrote thus:—"Our wars with France have been begun with justice, and even perhaps from necessity, but have always been too far pushed from obstinacy and passion." It may be questioned if they always began in justice; yet doubtless they began in accordance with the popular sentiments, and were never brought to a close until the popular sentiments were entirely changed by the decay of trade, the pressure of war taxes, and new debts. He continues:—"The same peace which was made at Ryswick" (by William III. privately) "was offered so early as 1692" (when William would not allow even his allies to listen to the proposal). "That concluded at Utrecht in 1712 might have been finished on as good conditions in the year 1708; and we might have *given* at Frankfort, in 1743, the same terms which we were glad to *accept* at Aix-la-Chapelle in the year 1748. Here, then, we see that above half of our wars with France, and all our public debts, are owing more to our own imprudent vehemence, than to the ambition of our neighbours. In the second place, we are so prominent in our opposition to French power, and so alert in defence of our *allies*, that they always reckon upon our force as their own; and,

expecting to carry on the war at our expense, they refuse all reasonable terms of accommodation." (See the quotation from Mr. Newman near the end of the present section, relating to our allies in 1815.) "All the world knows that the factious vote in the House of Commons, in the beginning of the last Parliament, with the professed humour of the nation, made the Queen of Hungary inflexible in her terms, and prevented that agreement with Prussia which would immediately have restored the general tranquillity of Europe. In the third place, we are such true combatants, that when once engaged we lose all concern for ourselves and *for posterity*, and consider how we may best annoy the enemy. To mortgage our resources at so deep a rate in wars where we were only accessories, was surely the most fatal delusion that a nation, which had any pretensions to politics and prudence, has ever yet been guilty of. That remedy of funding, if it be indeed a remedy, and not rather a poison, ought in all reason to be reserved to the last extremity; and no evil but the greatest and most urgent should ever induce us to embrace so dangerous an experiment."

In his Essay on "Public Credit," he is equally emphatic in condemning a "practice ruinous beyond all controversy."

A recent writer who has treated the great debt problem both philosophically and politically (Mr. Newman, in the "Constitutional Right or Wrong of our National Debt"), takes up the commentary thus:—"At the end of the French war, in 1815, the entire debt amounted to 885 millions, of which sixteen millions were contracted by William III. in fighting for the freedom of Holland—an excellent object, if the burden had been borne by that age; but there was nothing in it to justify bequeathing a debt to the next generation. For the Spanish succession (a wholly worthless matter), thirty-eight millions were added to the debt under Queen Anne. At the succession of George I., Parliament was exceedingly uneasy at finding the burden to be fifty-four millions, and effective measures were for the first and last time taken to reduce it. All was useless, because they did not attack the evil principle, and denounce it as unconstitutional, and against fundamental law. By honouring the illegal bills, they encouraged ministers to draw fresh ones; hence, under George II., eighty-seven millions more were accumulated for the Austrian succession, and for the Seven Years' War; in neither of which had this country interest or duty. Blind hatred of France alone impelled us. The American war followed, and raised the debt from 129 to 268 millions; but certainly George III., at whose command Lord North violated the fundamental rights of the colonies, and plunged into the war against his own judgment, would have been surprised and displeased if any one had defended the usurpation on coming generations, by alleging that the liberties of Englishmen were at stake. In the war of the French republic, we fought to revenge the blood of Louis XVI., a thing which did not vitally concern this nation, nor was it in any respect our duty; yet it added *ten and a-half millions to the annual charge* of the debt. The war against Napoleon followed, which at last became one of self-defence; but few will pretend that we could not have avoided it if we had been earnest so to do. It cost 420 millions more than the annual taxation brought in (enormously augmented though the annual taxes were); but Parliament and the ministers, like men hardened to vice, had left off bashfulness and fear. Passion drove out all calculation."

The writer concedes that an extreme case may justify such a stretch of power as the Parliament, say of 1850, disposing of the revenues of 1860, namely, if the State were driven to choose whether the present Parliament, or a foreign invader, should pre-occupy our constitutional rights. "To save the permanent liberties of our successors, some temporary encroachment upon those liberties may be allowed. If the kingdom be assailed by formidable enemies, who threaten its subversion; if the means of repelling them cannot be raised by any immediate taxation; if present supplies are required, which can only be had from abroad; if the lenders are not contented without a guarantee of longer payments than can fall within the few years of the existing Parliament, the combination of extraordinary and overwhelming difficulties may justify some usurpation."

But in applying this concession, he says the necessity must be rigidly proved. No such necessity was even alleged, except for part of the war expenditure in the period of Napoleon. The author holds it to be morally equitable, that even under those most urgent circumstances the home resources should be applied, before borrowing from abroad; if, as was the case, the Government borrowed *at home*, and

burdened posterity with the debt, the act was a proof that there were native and present resources, which, in a desperate emergency, should have been applied.

“But,” says he, “supposing all these conditions to be fulfilled, that the pressure of danger is intense, all the sinews of the country strained already to the utmost, and borrowing the only resource, nothing will justify promising *perpetual* interest on a loan,—a kind of bargain which unites the largest possible breach, not of the English constitution only, but of common sense and common morality, with the smallest imaginable advantage. To promise that interest shall be paid a thousand years hence in payment of a present sum received by us, is an evident and monstrous absurdity. It is also an immorality, because it directly tends to entangle our successors into an act of repudiation, which, however necessary and inevitable it may be, and on the main grounds justifiable, is certain to involve, on secondary grounds, very demoralizing consequences. If we undertake that our immediate heirs, who feel and acknowledge their relation to us, shall bear a certain burden at our request, we undoubtedly take a liberty with them, yet one which, under strong pressure of circumstances, may not be wholly unreasonable. But if we promise that our descendants of the twentieth generation shall honour our bills, we delude the man whom we induce to accept them, if he believe us. If he does not believe us, we cheat the nation gratuitously.”

The difference in value between £1 a year to be paid in perpetuity, and £1 a year to be paid for seventy years to come, is this: at five per cent. the value of £1 in perpetuity is £20; for seventy years it is £19. 343, a depreciation of three-and-a-quarter per cent. only.

He says the difference of value arising out of other causes is always greater than that of mathematical value: war or peace, disordered commerce, or changes in the currency, alter the value more than the difference between seventy years and perpetuity. The lender looks to the probable events of his present half century, and not to remote futurity. “Thus, by promising payment of interest for ever, no government, in times of *pressing danger*, has ever got better terms than if it had promised the same for seventy, sixty, or even fifty years. At any rate, the difference between long and perpetual annuities, in critical and threatening times, is to the borrower extremely slight, though the difference to posterity in the repayment is momentous. If fifty years had been our maximum period, so large a part of the debt would have died out of itself, that even with our existing amount of stupidity, extravagance, and taxation, we might, perhaps, already have liquidated the remainder. To promise interest for ever seems to be one of the most gratuitously profligate acts which a minister can commit, and would be judged to deserve impeachment if we were not so accustomed to it.”

But there is worse to follow. He says—“Not only was the expenditure not essential to the defence of posterity, and the debt therefore illegitimate, but on another ground it was infamous to bequeath it; namely, *the classes represented in Parliament had themselves got the means, but did not choose to pay.* The loans, when contracted, were actually taken up by our wealthier people, and therefore, had real necessity required, might have been got by immediate taxation. Why this was not done is transparent. Industry was so loaded that more could not be put upon it without lessening its returns. If casting repayment upon posterity had been absolutely prohibited, then, to raise the sum desired, landed rents must have been taxed. This would probably have been done by various ministers had they dared; but the Parliaments, after the revolution, having ousted the Crown from its old rights to feudal service, and confirmed the iniquitous alienations of public lands and tithes, struggled to hinder any compensatory taxing of the rent, and grudgingly voted the land tax only from year to year, while mortgaging all other taxes in perpetuity. For about two centuries what has been paid as land tax is about twenty per cent. (sometimes less) upon an old valuation, and the ministry have never, since the Revolution, ventured to demand that the payment should be taken on the real rent, any more than they have dared to extend the probate and legacy duties to freehold property.”

Which is bad enough; but listen to a fact which can never be too often repeated and published until restitution be made:—

“In their schemes for forestalling the income of posterity they alighted, in 1798, upon the measure of fixing, and then selling for ever to private hands, the proceeds of this old land tax. Either the landowner or a stranger advanced the capital to

Government; in the former case the land became tax free, in the latter the Government gave a proportionate quantity of *stock* to the purchaser—that is, yearly interest for ever. By this enactment the rent of England was estimated enormously below its truth. If the 4s. in the pound had been taken on a real valuation, and the landed aristocracy had found that the war taxes must fall in full proportion on themselves, they would soon have checked lavish expenditure. But the iniquitous device of the debt prevented so wholesome a process; and future industry was stilled, not through any kind of foresight for the industrious of that period, nor for any want of present means of payment, but in order that *land*, which, as *alone permanent can alone be plausibly mortgaged for a perpetuity*, might, above all things, be excepted!

The intensity of profligacy in these transactions, proposed and carried by reputable statesmen, is quite amazing. *First*, enormous payments are promised out of the public taxes for ever; *next*, the only taxable thing really perpetual is guaranteed against taxation! * * * Thenceforward the landlords felt secure against a land tax, based on a *bonâ fide* valuation, so they voted with greater ardour and greater ease all the ministers wished. Profuseness and lavish waste, which before had seemed unsurpassable, received a new and prodigious impulse; so that even after the battle of Waterloo, when the debt, funded and unfunded, had reached 85 millions, we fancied we could afford to be *generous* to our allies. About five millions sterling was awarded as our indemnity from France for the sixty days of Holland; but the sum appeared too small to take, so we freely gave it to the King of Holland to build fortresses, guaranteed payment to the Russians for garrisoning them, declined to press the Austrians for the seventeen millions lent to them; and granted ('We believe in some places it was idly called *loan*,' says a writer in the "Penny Cyclopædia," writing in favour of perpetuity of debt) from four to five millions more to aid the homeward march of the allied armies. None are so free to spend as those who do not mean to pay!"

The points of argument to which the Association would more especially urge attention at present, are those which combat the borrowing of money in perpetuity, when it may be obtained almost on the same terms for a limited term of years; and which condemn borrowing on any other plea than that of the most urgent necessity, and even then before all other resources have been fairly applied. The writer asks if it be not astounding that, when money could have been obtained on terminable annuities for the West India slave compensation in 1833, and the Irish loans more recently, not a single member of Parliament raised his voice against a contract to pay interest to eternity?

Many other authors might be cited against the perpetuation of the National Debt, but this is sufficient to incite to a studious inquiry on the part of those who have not previously become familiar with the history of the debt and our financial system. The Association propose to review the historical facts in detail as they occurred, in the hope of impressing—indelibly stamping them on the public understanding; and in connexion with the financial facts, the political schemes, and popular delusions which accompanied, and too often sanctioned and applauded, the reckless expenditure and incurrence of debt.

SECTION XI.

ADVENT OF WALPOLE, AND REVIEW OF THE SINKING FUND.

The first ministry formed under George I. comprised the leading Whigs, and a few Tories, who with them had been instrumental in bringing him from Hanover to England. Mr. Walpole was Paymaster of the Forces; Mr. Stanhope, afterwards Earl Stanhope and Prime Minister, became a member. To those two is due the institution of the Sinking Fund, founded on the model of one existing in the previous century in the Papal states, and another in France.

May 15, 1715, the Prime Minister, the Earl of Halifax, died, and was succeeded briefly by the Earl of Carlisle, but soon after by Mr. Robert Walpole and Lord Townshend, who became joint heads of the ministry. Walpole had suddenly become eminent as chairman of a committee of the House of Commons appointed to inquire into the conduct of the late ministry (Tories) in concluding the peace of Utrecht. The impeachments, imprisonments, banishments, ferocious persecutions

which followed, in vengeance for their having executed that wise treaty of peace, will ever stand in accusation against the Whigs of that and the next six years.

January 9, 1716.—The king opening Parliament, and requiring money to put down the rebellion in Scotland, said he would willingly give up all the estates that might be forfeited to the public use. The estates were above a hundred in number, and nearly two millions sterling in value; the taxes were granted, but the public did not get the forfeited estates. The descendants of that Whig ministry possess the most of them to the present day. Part of that of Lord Derwentwater was given to Greenwich Hospital.

May 4th.—The Whigs had become so unpopular that they were afraid of a general election, which would fall for next year; a bill was brought in and passed, extending that and future Parliaments from three to seven years. This was vehemently opposed by the Tories, but they were said to be insincere, bidding only for popular favour. It was the same uneasiness at their decay in public favour which led the Whigs, at this time, to seek popularity by converting terminable into perpetual annuities (see preceding section), to reduce the interest, and to institute the Sinking Fund for paying the debt.

April 3, 1717.—The king alleged that his German kingdom was in danger of invasion by Sweden, and required the English Parliament to provide supplies for the defence of Hanover. This was frequently done, and complied with afterwards. On this occasion the demand caused violent debates; but £250,000 were voted and paid. No invasion nor attempt at one occurred. The money was often inquired about, but never accounted for. The vote was only carried in a full House by a majority of four. Mr. Walpole spoke against it. Next day, he and some personal friends in the ministry were informed, through Mr. Secretary Stanhope, that the king had no further need of their services. Mr. Stanhope succeeded as Prime Minister and Chancellor of the Exchequer; Mr. Addison, the essayist, as Secretary of State.

April 15th.—The South Sea Company came to a resolution to lend the Government two-and-a-half millions, at five per cent., for paying off the debt contracted by lotteries in 1711 and 1712. On the 17th, the Bank of England also resolved to lend Government two-and-a-half millions, at five per cent., for redeeming certain funds which carried high interest, and for cancelling old exchequer bills, and circulating new ones at a lower interest. Mr. Wade writes:—

“The principal business of this session was the discussion of schemes for the reduction of the debt. A large portion of the debt was redeemable, the rest consisted of annuities for terms of years. Mr. Walpole, before his resignation, had a plan for lessening the interest and paying the capital of the redeemable debt. He proposed to reduce the interest of the redeemable funds by offering an alternative to the proprietors of annuities. His scheme was adopted by the new ministers, with some small alterations, which afforded Walpole a pretence for opposing it. In the course of the debate, a warm altercation passed between him and Mr. Stanhope, by which it appeared they had made a practice of selling places and reversions. Mr. Hungerford, standing up, said he was ‘sorry to see two such great men running foul of each other; that, however, they ought to be looked upon as patriots and fathers of their country; and that since, by mischance, they had discovered their nakedness, the other members ought, according to the custom of the East, to turn their backs upon them, that they might not be seen in such a shameful condition.’ But giving their word of honour not to prosecute their resentment out of the House, the subject dropped. The Bank and South Sea Company having agreed to lend their assistance to effect the proposed modifications in the public encumbrances, three bills were introduced for carrying them into effect. The taxes which had been laid on before for limited periods being rendered by these bills perpetual and the produce of them being greater than the charges under the new arrangement, the surpluses were united under the name of a *sinking fund*, and appropriated to the liquidation of the debt.”—*Wade's Chronological History*.

There had been a perpetuity of certain taxes voted in 1711, as security for advances made by the Bank of England and East India Company. But until the transactions named in the last paragraph, the taxes had been provided as funds for the payment of loans. Hence the name of *funds*, which ultimately was applied to the debt itself. By the act of 1717, the different funds were reduced to four, called the Aggregate, the General, the South Sea, and the Sinking Funds. The interest was

fixed at five per cent. In 1727 it was reduced to four per cent., and in 1753 and 1757 to three-and-a-half and three per cent. The Aggregate and General Funds were consolidated under those last acts, from whence arose the term *consols*, a cant phrase, originating on the Stock Exchange. The Sinking Fund had before that disappeared; Walpole, forced into a war by party opposition and popular outcries in 1738, was soon in want of money. He had touched the Sinking Fund before; he now cleared it out. Other ministers followed his example. At a later period of the century Mr. Pitt did the same, and worse; he used this fund as an instrument, which worked unseen to the public eye—rather, we should say, unknown to the public understanding—to contract enormous debts and impose new taxes. Aldington, who succeeded him, carried the project to a greater length in 1802; and Lord Henry Petty (our Marquis of Lansdowne), Chancellor of the Exchequer in 1807, out-did them all by an enactment extending the power to borrow on the Sinking Fund, and providing, with unfathomable wisdom, against the apprehended evil of the Sinking Fund paying off the National Debt too suddenly! (See quotation from Mr. M'Culloch at close of present section.)

Dr. Adam Smith, writing before the institution of Mr. Pitt's Sinking Fund of 1786, consequently before his dissipation of it in 1793-4, says of such an institution:—

“A sinking fund, though instituted for the payment of old, facilitates very much the contracting of new debts. It is a subsidiary fund always at hand, to be mortgaged in aid of any other doubtful fund, upon which money is proposed to be raised.” And again, “when a nation is already overburdened with taxes, nothing but the necessities of a new war, nothing but either the *animosity of national vengeance*, or the anxiety for national security, can induce the people to submit with tolerable patience to a new tax. Hence the usual misapplication of the Sinking Fund.” Of general borrowing to carry on war and execute that “national vengeance” which is always as blind as inveterate, he says, and somewhat approvingly, “Governments are unwilling to increase the revenue for fear of offending the people, who, by so great and so sudden an increase of taxes, would soon be disgusted with the war.”—*Wealth of Nations*, Book V., chap. 3.

All the wars of the eighteenth century, under which the enormous debt and gigantic fabric of taxation were chiefly created, had the approval of the people at first. They were as justifiable to the close as at first; but people got tired of them. The tricks of diplomacy failed to keep up the delusion about “foreign conspiracies,” “balance of power,” “protection of commerce,” or “rights of succession;” and at last, wearied, the nation was rejoiced to see the return of peace. Some persons, whose judgment is entitled to respect, looking back on the events of the three years ending with 1850, and upon the session of Parliament of the latter year, particularly that part of it consumed in debating on foreign policy in the month of June, think that the nation is not yet safely beyond the folly of carrying diplomatists, or being carried by them, into foreign quarrels, regardless of financial consequences, should some sentiment impelling to interference be thereby indulged and gratified. On this the Association do not pronounce an opinion; but they think the fact of all the great wars of the last century being popular at first, and otherwise before the end, affords lessons which the nation is not (even in 1850) too far advanced in political wisdom to treat as unprofitable reading. But for the present the Sinking Fund is more especially the subject of inquiry.

The act establishing the Sinking Fund (that of April, 1717) declares, that the various surpluses of which it consisted “shall be appropriated, reserved, and employed, to and for the discharge of the principal and interest of such national debts and encumbrances as were incurred before the 25th December, 1716, and to and for no other use, intent, or purpose whatsoever.”

“But,” says Mr. M'Culloch, in his “Treatise on Taxation and the Funding System,” “in spite of this clear and explicit enactment, the Sinking Fund was very soon perverted from its original destination. Several disguised encroachments were made in the interval between 1727 and 1732, but the first open and avowed encroachment was made in 1733. In 1732 the land tax had been reduced to one shilling in the pound; and in order to supply the deficiency of revenue that had been thus occasioned, half a million had been borrowed, and the interest charged to the salt tax, which was now revived after having been abolished only two years before. In the following year it became necessary to raise an additional £500,000.

and Sir Robert Walpole moved that it be taken from the Sinking Fund, adding, that if this proposal were objected to, he should be obliged to increase the land tax from one shilling to two shillings in the pound. The motion was, of course, carried by a very great majority; and in 1735 and 1736 the entire produce of the fund was anticipated and mortgaged."

Dr. Price, a writer who attained to much celebrity soon after the middle of last century as a statistician, fell into some remarkable mistakes about funding, which are conclusively exposed by Mr. M'Culloch. Dr. Price was so influential as, on this question, to become the great authority of financial error. He thus laments the dishonest act of Walpole, who broke into the Sinking Fund to corrupt Parliament, purchase boroughs, bribe the king's German minions, mistresses, and the like:—"After an existence of a few years expired the Sinking Fund—that sacred blessing, once the nation's only hope, prematurely and cruelly destroyed by its own parent. Could it have escaped the hands of violence, it would have made us the envy and terror of the world, by leaving us at this time (he wrote in 1772) not only *tax-free*, but in possession of a treasure greater, perhaps, than ever was enjoyed by any kingdom." He supposed that the Sinking Fund would have (he failed to see that it *could not* have) accumulated at compound interest. It was his teaching that it could so accumulate, which induced other governments, and Mr. Pitt in particular, to resort once more to the creation of such a fund.

Mr. M'Culloch says—"No sinking fund, even if it consist of clear surplus revenue ever operates at compound interest. Suppose, to illustrate the mode of its working, that there is a million of surplus cash in the treasury, and that it is formed into a sinking fund. In the first place, the commissioners for managing this fund would purchase a million's-worth of stock, and would receive at the end of the year the dividend or interest on this stock, which had previously been paid to the public creditor. If this dividend were five per cent., or £50,000, the commissioners would purchase additional stock with it, and would, consequently, have, at the end of the *second* year, £52,500 to invest in a new purchase; at the end of the *third* year £55,125, and so on. Now, this is what Sir Nath. Gould (who wrote largely on this question about 1726), Dr. Price, and Mr. Pitt, call paying off the National Debt by a sinking fund, operating at compound interest. But it is obvious that, whatever diminution may be effected in the amount of the public debt in the way now stated, is brought about by appropriating a portion of the produce of taxation to its extinction. It is true that, by employing any given sum to purchase stock, and then constantly applying the dividends upon the stock so purchased to the redemption of debt, its diminution will be effected in the same way that *it would be* were the original sum increasing *by an inherent energy of its own* at compound interest; but it is essential to know that, though the results are the same, the means are totally different."

Mr. M'Culloch proceeds at greater length to expose the delusion, and continues thus:—"We are not to consider this notion of the wonder-working effects of sinking funds as only a mere harmless error; for there can be no question that it has by making it be believed that the greatest amount of debt might be defrayed without loss to any one, been one of the principal causes of the ruinous extension of the funding system."

As an instance of this, Dr. Price, starting with a calculation of the *glo'ies of gold* which would have resulted in 1772 from a penny put out at compound interest at the birth of Jesus Christ, proceeded to contend that "War, while such a scheme (the Sinking Fund) was going on, would increase its efficacy. Any suspension of it, then, would, be the madness of giving it a mortal stab at the very time it was making the quickest progress towards the accomplishment of its end." He puts the following case—"Let a state be supposed to run in debt £2,000,000 a year, for which it pays four per cent. interest; in seventy years a debt of £140,000,000 would be incurred. But an appropriation of £400,000 per annum, employed in the manner of a sinking fund, at compound interest, would, at the end of this term, leave the nation beforehand £6,000,000."—*Price's Appeal to the Public on the Subject of National Debt*, p. 17.

Now, we are obliged to suppose that new taxes are annually imposed to pay the interest (because, were there a surplus revenue sufficient, there could have been no need to contract the loan), the gross amount of these taxes would be, in twenty-five years, equal to the loan itself! and in the last of the seventy years they would

amount to no less than £5,600,000, or to £3,600,000 more than the amount of the loan; so that the debt, which is said to be reduced by the annual appropriation of £400,000, or one-fifth of the loan, is wholly reduced by the new taxes.—*M'Culloch.*

The transactions for raising money, known as accommodation bills, exemplify the Sinking Fund as used by Mr. Pitt, Mr. Addington, his successor, Lord Henry Petty, his successor, Mr. Percival, his successor, and Mr. Vansittart, his successor. A bill is accepted and discounted, at high interest, to meet pressing exigencies; another bill of larger amount is in like manner accepted to meet the other; and so it goes, again and again. Government wanted money, and would only give, let us suppose, the moderate interest of three per cent.; but the interest of money being four-and-a-half per cent., they gave the loan contractor £150 of stock in the funds for each £100 of money; thus binding themselves to pay, in perpetuity, four-and-a-half per cent. on £100 of real loan, or to discharge the debt by paying £150 for £100. Again and again those contracts followed one another, and yet the belief was that wealth was being accumulated at compound interest, while, in fact, it was being dissipated in that compound degree.

The delusion occasioned by Dr. Price's writings, though general, was not universal. During the discussions on the Sinking Fund, in 1786, a tract was published, entitled "Considerations on the Annual Million Bill, and on the Real and Imaginary Properties of a Sinking Fund," in which the hollowness of Price's theories is ably exposed, and in which it is demonstrated that no debt can ever be paid off, except by the application of surplus revenue to that object. But this valuable tract appears to have made little or no impression. The calculations and plans of Dr. Price, instead of being allowed, like those of most projectors, to fall into oblivion, were adopted by Mr. Pitt, and formed the basis of his Sinking Fund.

To constitute this fund, one million per annum was appropriated by Parliament. In the opening of his speech, 29th March, 1786, in which he proposed, with the unanimous concurrence and praise of all Parliamentary parties, this scheme, Mr. Pitt said—"I must congratulate the nation upon the arrival of this wished-for day, when all despondency and gloomy fear may be laid aside, and our prospects brightened with joy and hope." And in his peroration he said—"I cannot but think myself peculiarly happy in having a task to perform so very different from any of my predecessors, and that, instead of expending the money of the public, I should have the great good-fortune to be led to set about to diminish our burdens. This plan, which I have now the honour to bring forward, has long been the wish and the hope of all men; and I am proud to flatter myself that my name may be inscribed on that firm column now about to be raised to national faith and national prosperity."—(*Mr. Pitt's Speeches*, Ed. 1806, vol. 1, p. 235.) Mr. M'Culloch complains that Pitt concealed that Dr. Price was the real author of the scheme. But in this speech he concedes that others and not himself had devised it. Moreover, the others were unquestionably Walpole and Stanhope, of a previous generation; but even they were indebted to the Governments of Rome and France for the idea.

In 1792 additions were made to this fund; and it was then also enacted, that, besides providing for the interest of any loan that might henceforth be contracted, additional taxes should be imposed to form a sinking fund of one per cent. on the capital stock created by such loan. As there was a considerable excess of revenue in the period from 1786 to 1793, the debt was really reduced by about five-and-a-half millions, which reduction was ascribed to the Sinking Fund acting at compound interest, though it is plain it entirely resulted from the application of surplus taxes, *previously imposed*, but annually collected, to the purchase of stock. Subsequently to 1793, the income of the country uniformly fell short, greatly, of the expenditure, and the debt rapidly increased. But though there was no *annual million* to transfer to the commissioners, the juggle of the Sinking Fund was kept up. The loans for the service of the year were uniformly increased by the whole amount of the sums placed at the disposal of the commissioners; so that for every shilling's-worth of stock transferred to them by this futile proceeding, an equal or greater amount of new debt had to be contracted, exclusive of the loss incurred on account of management.

"And yet," says Mr. M'Culloch, "this worthless compound of delusion and absurdity was lauded by all parties. The Opposition vied with the Ministry in celebrating its praises. The Sinking Fund was universally considered as the great

bulwark of the country—'as a means by which a vast treasure was to be accumulated out of nothing!' And so lasting and powerful was the delusion, that, after fourteen years' experience of its worse than absolute nullity, when a new financial project was introduced in 1807, it contained a system of checks to prevent the evils likely to result from allowing the Sinking Fund to accumulate without any limit, and deluging the country with a flood of wealth, by 'a too prompt discharge of the public debt.' We doubt whether the history of the world can furnish another instance of so extraordinary an infatuation."—*Treatise on Taxation*. That was the scheme of Lord Henry Petty, the present Marquis of Lansdowne.

Some financiers, whose assiduity and penetration are not second to Mr. M'Culloch's, have asserted the melancholy fact, that in his *Essays on Capital and Rent*, in relation to taxes, he has fallen into the same error of not distinguishing between different classes of income or of capital, and that his theories have been adopted by statesmen (and may be again, on renewal of the income tax in 1851) in like manner as the fallacious theories of the Sinking Fund, in which all distinction between a productive and non-productive compound interest were lost sight of, by Walpole, Price, Pitt, and the whole Legislature. But into these questions the Association do not now enter; they refer, for the present, to their tract, *Burdens on Land*, for an indication of the mistakes of Mr. M'Culloch.

SECTION XII.

HAMILTON AND RICARDO ON THE SINKING FUND.—SECOND SCHEME FOR PAYING OFF THE NATIONAL DEBT.—THE SOUTH SEA BUBBLE.

Dr. Hamilton, of Aberdeen, was the first to make a strong public impression against the Sinking Fund. He wrote in 1813, nearly a century after its legislative application to British finance. His work was entitled "An Inquiry concerning the Rise and Progress, the Redemption and Present State, and the Management of the National Debt of Great Britain and Ireland." Among many illustrations he says—"A private gentleman, whose estate is incumbered, may, if he have any credit, pay off all his debt every year, by borrowing from other hands; but if he spend more than his free income, his embarrassments will continually increase, and his affairs are so much the worse by being conducted in this manner, from the fees he pays his agents. The absurdity of supposing any advantage derived from this annual discharge of his debts will appear still stronger if we suppose him, *instead of borrowing from other hands, only to renew his securities to the same creditors annually*, paying a fee to the agents, and a *douceur* to the creditors themselves on the renewal.

"It would not," continues Dr. Hamilton, "be impracticable or very difficult to redeem our whole debt in any year, if the measures we follow *be* redemption" (that is, incurring new loans to pay off old ones, as the State did, borrowing £150 to pay off £100, with the addition of new taxes to meet the larger annual interest, the expenses of management, &c.) "But," he continues, "*our capitalists would be well pleased to promote those loans, as they would derive a bonus from each.*" Not a doubt of it; and so they, by all their influence in Parliament, did promote them.

Dr. Hamilton's book was published in 1813; "but," says M'Culloch, "such is the vitality of error, that it was not till 1829 that the triumph of principle and common sense over quackery and folly was consummated by the act 10 Geo. IV., c. 27. This statute made an end of sham Sinking Funds, and enacted that thenceforth the sum to be applied to the reduction of the National Debt should be the actual annual surplus revenue over the expenditure."

But the Association must remark that even this clear surplus income is not practically a fund for the reduction of the National Debt. By most practical thinkers it is now contended that a surplus should at once lead to a reduction of taxes, while others contend (*vide Times* newspaper, &c., in 1850) that national revenue and debt are like personal income and debt. But it seems that, as Lord Thurlow said of corporate bodies, "they have neither a back to be whipped nor a soul to be damned," so it may be said of governments, they may spend their savings, and though reduced to financial pauperism by improvidence, you cannot, when they seek relief, set them to eat gruel, to break stones, or pick oakum; they must be

supplied with more money; they must be sustained above suspicion of insolvency; they fear no want, no punishment; therefore they should not be entrusted with a surplus income.

Mr. David Ricardo's "Essay on the Funding System" affords a comprehensive and philosophic view of the Sinking Fund. Mr. M'Culloch corrects him in some points; but both have a tendency to look too exclusively to the interests of loan-contractors and stock-jobbers, treating, as of less importance, the far greater interests of existing tax payers and debt-burdened posterity. But as the object of the Association at present is to give a general view of the fallacies of the Sinking Fund, rather than go particularly into its history, they avail themselves of Mr. Ricardo's elaborate essay only to the following extent. He says:—

"It is utterly unworthy of a great country to countenance such pitiful shifts and expedients" (as the contrivance of contracting loans through the machinery of the Sinking Funds to hood-wink the taxpayers.) "The Sinking Fund has, instead of diminishing the debt, greatly increased it. The Sinking Fund has encouraged expenditure. * * * There cannot be a greater security for the continuance of peace than imposing on ministers the necessity of applying to the people for taxes to support a war. Suffer the Sinking Fund to accumulate during peace to any considerable sum, and very little provocation would induce them to enter into a new contest. They would know that by a little management they would make the fund available to raising a new supply, instead of being available to the payment of the debt. The argument is now common in the mouths of ministers (about 1818) to say, 'it will make foreign countries respect us; they will be afraid to insult or provoke us, when they know that we are possessed of so powerful a resource.' What do they mean by this argument, if the Sinking Fund be not considered by them as a war fund on which they can draw in support of the contest?"

So that it appears that almost to the last period of its legal existence this fund was a false pretence in the hands of ministers, as it had been in Walpole's hands a hundred years before, and in almost every minister's hands in the intermediate time. Mr. Ricardo indicated his remedy for our indebtedness in the words *italicised* below:—

"It is sufficiently proved that no securities can be given by ministers that the Sinking Fund shall be faithfully devoted to the payment of debt, and without such securities we should be much better without such a fund. To pay off the whole or a great portion of our debt is, in our estimation, a most desirable object, if, at the same time, we acknowledge the evils of the funding system, and resolutely determine to carry on our future contests without having recourse to it. This cannot, or, rather, will not, be done by a sinking fund, as at present constituted, nor by any other that we can suggest; *but if, without raising any fund, the debt were paid by a tax on property, once for all it would effect its object.* If we mean honestly to discharge the debt, we do not see any other mode of accomplishing it. (He indicates the operation.) Thus, by one great effort we should get rid of one of the most terrible scourges which was ever invented to afflict a nation, and our commerce would be extended without being subject to all the vexatious delays and interruptions which our present artificial system imposes on it."—*Works of David Ricardo, Esq.*, p. 546, also the article, "Funding System," *Encyclopædia Britannica*.

Reverting to the period when the Sinking Fund was instituted by Stanhope and Walpole, in 1717, to defray the debt which then existed, we find a scheme propounded by Mr. Archibald Hutchinson, a Scotch member of the House of Commons, much respected for his general good sense, in the reign of George I.: it is similar to that just quoted from Mr. Ricardo. He proposed to assess the capital of the country. He estimated that a contribution of ten per cent. on all fixed and moveable property, including the debt itself, would be sufficient for the extinction of the latter. To carry the measure into effect, he proposed that power should be given to the proprietors of estates to sell as much of them as might be required to defray their share of the assessment, notwithstanding any disability arising from settlements or entails; and they were, also, to be entitled to deduct ten per cent. from all mortgages and other burdens with which they might be affected."

It would be manifestly unjust that property alone should now bear such a burden—perform such a Herculean task.

The next financial operation of Walpole was one which led to disasters unparalleled in Britain, though about the same time as great or greater occurred in France. This was the South Sea scheme (nearly contemporary with which was the Bank of France, a judicious institution, devised by John Law, a Scotch refugee, in 1718, and the Mississippi scheme, promoted by him, which ruined the bank and the credit of France in 1720). Walpole had not returned to office when the financial project of the South Sea scheme was authorised by Government. But it was so authorised at his instance, through his friends; and its temporary success [the £100 of South Sea stock selling at £1,000 in June, 1720] at once led to his return to office, which he did as Paymaster of the Forces, 11th June.

The South Sea Company was formed July, 1711. They had conveyed to them, by act of Parliament, the exclusive right of trading to the Pacific Ocean, and along the east coast of America, from Orinoco to Cape Horn. Their first capital of £4,000,000 was subscribed in a few days. They gave loans of money to Government to pay off other loans bearing high interest. (April, 1717, as stated in preceding section.) Now, 1720, their manager, Sir John Blount, proposed to take all the National Debt, and pay it off by South Sea dividends. In vain we search Anderson, the contemporary historian of commerce, or any other, for particulars of the plan. In the absence of these they allege that it was not seriously intended to pay off the debt, but that the example of the Mississippi scheme in France, which was then conferring fortune upon all classes of speculators, as if by enchantment, led the South Sea managers to obtain the privilege of paying off the National Debt, that they might advertise and inflate their stock thereby. Mr. Aislabic, Chancellor of the Exchequer, having netted upwards of £800,000 for private benefit (though before that he was one of the wealthiest men in the kingdom); the Earl of Sunderland, prime minister (Stanhope having receded to a Secretaryship from being Premier), being known to have jobbed in the stock largely, so also the king's mistresses, and other courtiers, it was concluded by some that the whole was a scheme for swindling from the first. This is not probable. That period, from the successful establishment of the Bank of England, East India Company, and other chartered companies, was remarkable for feverish speculation. The South Sea disaster cured the country for a long time after. It rose to excess, because no purchaser of the stock intended to be the *last* to hold it. Like railway scrip recently, those who lost in the game did so, not by being imposed upon by those who sold to them, but by failing to impose on others, who, struck by panic, refused to buy. From the competition of the Bank of England with the South Sea Company to obtain the privilege of paying off the National Debt, it seems likely enough that the project was supposed to be practicable.

(To be continued.)

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FINANCIAL REFORM TRACTS,

No. 31.

HISTORICAL REVIEW OF THE FISCAL SYSTEM.

SECTION XII.

(Continued from No. 30.)

HAMILTON AND RICARDO ON THE SINKING FUND.—SECOND SCHEME FOR PAYING OFF THE NATIONAL DEBT.—THE SOUTH SEA BUBBLE.

January 27, 1720.—The South Sea Company propounded their scheme. 28th.—The Bank of England brought forward theirs, and finding the other in favour with the Chancellor of the Exchequer, they got theirs introduced to the House of Commons. But the House resolved, 1st February, that the proposals of the South Sea Company be accepted. In March, in consequence of that resolution, South Sea stock rose from 150 to above 300, advancing once to 400; but after fluctuations, settling at about 330. April 7.—The royal assent was given to an act "for enabling the South Sea Company to increase their present stock, and for raising money to be applied for lessening several of the public debts and incumbrances, and for calling in the present exchequer bills remaining uncanceled." South Sea stock rose same day to 340. There was a subscription on the 12th, at 300. On the 23th, a subscription opened at 400. May 20, South Sea stock was sold at 550. June 2, at 890. On the 11th, Parliament was prorogued, the king complimenting them on the measures they had passed "for payment of the National Debt." June 15.—The king embarked at Gravesend for Hanover, and most of those who followed him having sold their South Sea stock, the price fell considerably; but the directors, by extraordinary promises and rumours, concocted for the purpose, caused it to rally and to reach 1,000, at which, or above 900, it stood all the month of July. Blount caused a report to be circulated that Gibraltar and Port Mahon would be exchanged for some places in Peru, by which means the English trade to the South Seas would be protected and enlarged. Persons of all conditions crowded to buy stock. The whole nation was infected with the spirit of stock-jobbing. All distinctions of party, religion, sex, character, and circumstances, were swallowed up in this or similar projects, which now started every day. Exchange-alley was filled with statesmen, clergymen, churchmen, and dissenters (so bitterly opposed at that period in all things else); Whigs and Tories (who had been persecuting one another to banishment and the scaffold), lawyers, tradesmen, and a multitude of women of every degree. All other professions and employments were utterly neglected, and the people's attention engrossed by this and other chimerical schemes which now began to be known by the name of *bubbles*.

August 17th.—South Sea stock fell to 830, including the Midsummer dividend; but the directors buying the same day a considerable quantity of stock, it rose to 880. But the disposition to sell continuing the two following days, it fell again to 820, at which price the transfer books were opened on the 22nd. 24th, the directors came to a sudden determination to shut the transfer books; and the next day to open other books for taking in a money subscription of £1,000,000 capital stock, at the rate of £1,000 worth of stock for every £100 of capital. The books being opened, this sum was subscribed in less than three hours. On the 26th, the books were again opened, but stock fell. A panic set in; the annuitants were clamorous.

To give some relief, the Bank undertook, 23rd September, to circulate South Sea bonds, taking them at 400. But a run was caused by this upon the bank; also on the goldsmiths, who still continued to be private bankers, many of whom stopped payment. On the 30th, South Sea stock fell to 150. The Lords Commissioners of the Treasury went to the bank and subscribed in his Majesty's name, and on his behalf, the sum of £100,000, towards supporting the public credit. Parliament took various measures to inquire into and punish the South Sea schemers; but as the leading men in both Houses were implicated, and the public had been as much at fault as they, the principle on which punishment was to be meted out seemed difficult to settle.

December 21, 1720.—Mr. Walpole laid before the House of Commons a scheme "to restore public credit, by ingrafting nine millions of South Sea stock into the Bank of England, and the like into the East India Company;" and a committee was appointed to receive proposals. There does not seem to be sufficient data existing to calculate the loss sustained by this financial operation.

February 2, 1721.—The House of Lords (most of whom had been deeply implicated in jobbing the stock) resolved that the South Sea directors declaring thirty per cent. dividend for the half-year ending at Christmas, and fifty per cent. per annum for twelve years after, "was a villanous artifice to delude and defraud his Majesty's good subjects." On the 4th, Sir John Blount, the chief projector of the scheme, refused to be examined by the Lords. This drew some severe reflections on Ministers. Earl Stanhope, who was implicated in stock-jobbing, attempted to reply, but was so excited that he burst a blood-vessel, and died next day.

March 8th (after proceedings against the Chancellor of the Exchequer, and the expulsion of several members), the House of Commons had a motion before it, to the effect that the Prime Minister, the Earl of Sunderland, had received £50,000 of the capital stock of the South Sea Company. A warm debate arose, but, by the influence of Mr. Walpole, the motion was negatived. Notwithstanding this vote, Sunderland resigned office, and died soon after.

April 2, 1721.—Mr. Walpole was made First Lord of the Treasury, and Chancellor of the Exchequer, which offices he held for more than twenty years, the longest term of office which any minister has held in England since the reign of Elizabeth.

Sir John Sinclair says—"Some financial events took place which it may be proper to notice. An act was passed, 1721, abolishing all duties payable on the *exportation* of any goods or merchandise of the produce or manufacture of Great Britain, after the 25th of March, 1722, except on alum, lead, tin, coals, and some other less important articles. All dye stuffs were permitted to be imported duty free." (They were, seventy years afterwards, taxed by Mr. Pitt.)

"By the Annual Land Tax Bill the estates of Papists and non-jurors are taxed double; but not satisfied with imposing that burden, Parliament, 1722, laid the additional sum of £100,000 upon their real and personal property; and to prevent the tax from being evaded, specific sums were assessed upon each county, and upon some of the cities of the kingdom. The tax, notwithstanding, produced only £96,000.

"The prodigality of the Ministers in the management of the civil list was such that a great debt had been accumulated. In order to procure assistance towards discharging it, without imposing any new aid for that purpose, two companies, called the Royal Exchange and London Assurance Companies, were established, each of which agreed to pay £300,000 for the use of his Majesty. The sum, however, was found too great, and was afterwards restricted to £150,000 each, in tender consideration of the great difficulties which the said companies laboured under."

April 5, 1725.—Trade had been exceedingly prosperous for three years; but in that time the King had again run in debt to the amount of £508,367 13s. 4d., and applied to Parliament to pay it for him. Warm debates ensued; but as those who demurred were charged with *disloyalty*, they voted the money. June 24.—The malt-tax having caused great discontent in Scotland, in Glasgow, this day, the military fired on the people who resisted the tax, and killed or wounded twenty, which so exasperated the citizens that they armed themselves, and drove the officer commanding, Captain Bushel, to Dumbarton, where he took refuge; he was afterwards tried for murder, and condemned, but pardoned. Meanwhile, the Lord Provost and magistrates of Glasgow were conveyed, as prisoners, to Edinburgh. The

magistrates and citizens of Edinburgh met them in procession and escorted them to the prison door, and evinced an attitude so hostile to Government that the prisoners from Glasgow were set at liberty without trial.

In 1725 there was great danger of war. Austria and Spain were at the head of the European confederacy; England, France, and Prussia (by the treaty of Hanover, signed September 3, 1725), at the head of another. But it was now the avowed policy of Walpole to preserve peace, in which he was successful. It was said that he had by this time discovered a mode of managing the House of Commons, which enabled him to obtain a majority on any question. This mode of management is believed to have been bribery. The taxes were now voted on his word, without specific estimate. There was no Joseph Hume in those days. There was one known as "Honest Shippen," who resisted all bribes; but he had the misfortune to be a Jacobite (friend of the exiled Stuarts), and was sent to the Tower for his remarks upon the royal expenditure and debts of George I. On such subjects it behoved him to be mute in future. In the two years, 1725-6, no less a sum than £435,000 was spent as secret service money.

There was some show of war between Spain and England in 1726-7, which gave excuse for demanding large supplies; but by the good offices of the King of France, and the wisdom of Walpole, it was averted.

June 10, 1727.—George I. died. The revenue amounted, on an average of four years, to £6,912,627. The debt was £53,681,076 at his accession, in 1714, the interest £2,811,904; and now the debt was £52,092,235, the interest £2,363,564. But it might have been reduced much further had Walpole so willed it.

SECTION XIII.

WARS AND DEBTS IN THE REIGN OF GEORGE II.

The reign of George II. extended from 1727 to 1760. It was a period of political and financial events highly illustrative to all posterity, at least to all posterity which may be in danger of neglecting the peace and welfare of their own country, to join in some cry about "foreign policy," "balance of power," or even "protection to their foreign commerce." The parties were of the same complexion as in the reign of Queen Anne and George I. The Tories were strong in all popular meetings. In the large towns, as London, Bristol, Birmingham, Norwich, and Manchester, the working population were vehement Tories, the leading principles of the faction being, royal prerogative, legitimacy of succession, high church, intolerance of Dissenters, enmity to capitalists, or other new rich men. The Whigs chiefly consisted of the titled families who had been enriched by the revolution of 1688, and by the plunder of office since; of the bankers, stock jobbers, and moneyed classes generally, including the religious Dissenters; but not including the Catholics, who at this time were a proscribed race, persecuted alike by Whigs, Tories, and the intolerant populace of the towns.

"Of the thirty-three years of this present reign, only thirteen were years of war, the remainder of peace and prosperity; and the hostilities which twice interrupted the progress of the community neither seemed to originate in any imperative claim of national honour or advantage.

"The *first* war of George II. began with Spain in 1739; it continued with that power, singly, during four years, and then became a continental war of more general hostilities, and was concluded by the peace of Aix-la-Chapelle, in 1748. This war was without adequate cause. Ostensibly the protection of British commerce, and the vindication of national honour, insulted by the guardacostas of Spain, were the pretexts for hostilities. But these differences might have been amicably adjusted had not the turbulent spirit of the people, satiated by the enjoyments of a long peace, been inflamed by the artifices of a Parliamentary opposition, who saw in the advent of war the downfall of the pacific administration of Sir Robert Walpole. Such was the clamour raised on the alleged outrages perpetrated on our ships and seamen, that the Minister, contrary to his better judgment, was precipitated into hostilities; and as the war was hastily begun, so it was ingloriously ended." (*See story of "Jenkins's Ear," in a subsequent part of the present section.*)

“The next was a colonial war. It began in 1755, about the respective boundaries of France and England in America, and was protracted into the next reign. Though frivolous in origin, and disastrous in its early progress, it terminated triumphantly. Canada was conquered from the French, and annexed to England; their settlements in Africa and Asia were destroyed, and the foundation of a vast empire laid in the East. Still England could not boast of continental victories, neither in this nor the former war. At Fontenoy her honour was saved, but the battle was lost. The French, when opposed to the Duke of Cumberland twelve years afterwards, did not repeat the error which saved the English monarch at Dettingen” (referring to George II. in the first war of his reign). “By superior generalship they compelled his highness to conclude the ignominious convention of Closter Seven, the disgrace of which Pitt (the elder Pitt) tried to retrieve by a breach of faith, by avoiding the terms of the capitulation. Our ally, the King of Prussia (for whose support our share of the war was justified), was driven from his capital, and all but annihilated, at the close of the present reign.”—*Wade's Chronological History*. See also *Hume, Smollett, &c.*

What great principle or interest was there at stake to lead the nation into an alliance with Frederic of Prussia, and into enormous expenditure and debt? The authorities just quoted say:—

“The relations of George II. with this prince were singular. In the first war, he was our enemy, the gallant Queen of Hungary (Maria Theresa) the popular idol, and the great Frederic was persecuted with every term of opprobrium. In the latter war the ‘philosopher King’ became our ‘magnanimous ally,’ and every year the populace of London commemorated his birth-day by fire-works and illuminations. The contradictory objects of the two continental wars have exposed our foreign policy to severe animadversion. In the first we sought the aggrandisement, in the second the abasement, of the House of Austria; and these conflictive results were sought to be justified on the pretext of maintaining the balance of power in Europe.”

The cause seems to have been, first, a Ministerial desire to secure the royal favour of George II., by playing into his conceits about the Germanic Confederation, and, afterwards, to obtain Ministerial power, and the perquisites of office, by those not possessed of them, by addressing the cry of German politics to the English nation. For, say the historians,—

“England being the umpire, or European constable, had formed an indispensable condition of foreign policy since the accession of King William. Contrary, however, to the legitimate function of our assumed office, our meddling was more frequently the cause of national quarrels being fomented, or, at least, protracted, than of the general peace being maintained. Notwithstanding the enormous sacrifices our foreign intervention had imposed upon the nation, the system had never once been abandoned since the Revolution. In the present reign, Wolfenbuttel, Hesse Cassel, and other petty states, were kept constantly in the pay of England, each stipulating to furnish a contingent of troops at our bidding.”

Now, mark what follows: it indicates the partisan policy existing long after the time referred to, and not extinct in the 19th century, though less rancorous, no matter which party may be in office, or which in opposition.

“These treaties were unceasingly denounced by the party in opposition; they were the great theme of popular vituperation; but no sooner did Whig, Tory, or hybrid attain power, than they followed the course of their predecessors. It was, in fact, the secret of royal favour. The indulgence of the King’s conceit above the Germanic balance was a principal means by which Walpole so long maintained his authority; and the Leicester-house coterie (followers of the Prince of Wales, estranged from his father George II.), though, while out of place, they reprobated Walpole’s policy, no sooner superseded him than they employed the same talisman; with this difference—that what was chiefly the idol of the King and his courtiers was made, by the eloquence of Pitt, the idol of the nation.”—*Ibid.*

These passages indicate the outward form and general aspect of the politics in the reign of George II., but not the financial policy arising therefrom. It is this with which the present generation is concerned. And yet the financial history of the period can hardly be read apart from its party politics. Take the popular and Par-

mentary excitement, commotion, political passion, about "Jenkins's Ear" as an instance.

In March, 1738, several imposing processions passed through London from the city to Westminster, attended by a seaman, named Jenkins, who carried at the head of the procession a handful of cotton, within which was one of his ears, or something which was reported so to be. Edmund Burke (see Cox's Memoirs), writing of the affair when political passion had cooled down, and become ashamed of the many millions of taxation and debt expended in avenging this man's doubtful wrongs, speaks of it as "the noble of Jenkins's ear." It was alleged that when he, Jenkins, was master of a Scotch vessel from the Clyde, touching at some of the Spanish West India colonies, the commander of a guardacosta cut the ear off his head, flung it in his face, and told him to carry it to his king! True or not, this was not alleged to have occurred within seven years of 1738. Jenkins had lost an ear, but how, there was only his own word to show. The buccaneers fitted out from British ports to make prizes of Spanish merchantmen, and sack and ravage the Spanish colonies on shore, were, to say the least, equally unmindful of national and private rights as the Spaniards were. There were those who asserted that Jenkins lost his ear in a buccaneering expedition, and obtained another for the Parliamentary drama, years after, from some of the London dissecting-rooms.

Be that true or false, it took effect. Admiral Vernon, member for Ipswich, voluble in a speech, weak in judgment, violent in his opposition to Walpole for allowing him to be unemployed as an admiral, Pitt, the "terrible cornet of dragoons," afterwards Earl of Chatham, and some discontented Whigs out of office, neglected by Walpole, united with the Tory opposition to turn the Minister out, on the assumption that he allowed the nation to be insulted, particularly on the Spanish seas. They got up a formidable array of cases, and among others that of Jenkins. He was summoned to the bar of the House of Commons, and examined. He took out his handful of cotton and displayed the ear. He was asked to relate the manner of its being cut off; his answer was, that the guardacosta dismembered it with his knife, threw it in his face, and bade him take it to his king. "What did you do, then, on finding yourself among such savages?" was the next Parliamentary question. "I commended myself to God, and my cause to my country!" he replied.

The effect of this reply, in and out of the House, was an expression of opinion so strong for vengeance on Spain, that Walpole felt that he must either resign or go to war. It has been since said that had he resigned at this crisis, he would have been an illustrious minister. But he was only a tactician. He was never equalled by any successor for the trick of astonishing a troublesome opponent. Cartaret had, in concert with Swift, thrown all Ireland into political heat, about the coinage of halfpence, and continued to rail in Parliament at Walpole's Irish policy, when, to his surprise, the King, by the Minister's advice, made him Lord-Lieutenant of Ireland, thus plunging him into the hot water which he had set a-boiling! and bidding Parliament of his troublesome presence. So with Admiral Vernon, who boasted, on the floor of the House, in the debate about Jenkins's ear, that, if he had a certain number of ships and the King's commission, he would take the West India colonies of Spain one by one, and chastise the Spaniards into good behaviour. To his surprise he was commissioned to the command of the ships immediately, by which Walpole got rid of another troublesome opponent, and very shortly Vernon lost his reputation. But that absurd war did not close until vast treasures were expended, British commerce almost ruined, and the Spanish cruisers so emboldened by success, that they captured English merchantmen at the mouth of the British Channel. In the first attempt, Vernon was successful; and so high did the popular prejudice in favour of war ascend,—so boundless was the national joy,—that "the mothers of England taught their infants to lisp the name of Vernon." So we read in the records of the time. Smollett, who was in the expedition, gives a graphic and, as was at the time believed, faithful account of the war in "Roderick Random," the hero of which he places in his own position as a surgeon's mate, in one of Vernon's ships.

But it is not the demerits of the commanders in this war, their disputes, jealousies, defeats, that are the subjects of consideration now. It is, that the nation is still liable to be imposed upon to sanction any extravagance, by incidents not greatly dissimilar to that of Jenkins's ear. It was with the Parliament wholly

a question of turning out one set of men to put another in office. With the multitude it was a cause appealing to the generous sympathy of many and the narrow interest of a few. But what was it to posterity? We have not yet done with the payment of that most groundless war, nor of the payment of that with France, to which it indirectly gave rise.

Sir J. Sinclair states the progress of savings in the periods of peace, and of new debts in the time of war, in the reign of George II., and the two first years of George III., into which the "seven years' war" extended, to have been as follows:—

Debt at the accession of George II., 1727.....	£52,092,235
Decrease during the peace, up to the end of 1738..	5,137,612
Debt at commencement of Spanish war, 1739	46,954,623
Increase during the war ending 1748.....	31,338,689
Debt at the end of the Spanish war, 1748	78,293,312
Decrease during the peace ending 1755	3,721,472
Debt at commencement of the war, 1755	74,571,840
Increase during the war ending 1762.....	72,111,004
Debt at the conclusion of the war, 1762	146,682,844
The annual interest upon which was	4,840,821

The additional burdens imposed during those periods of war were numerous, but chiefly augmentations of previous taxes. Besides which, the savings in the sinking fund, intended to pay off the debt at some time, were broken upon and dissipated.

The various proposals by unministerial parties during that period to reduce or discharge the debt, as well as those resorted to by the different ministers who succeeded one another so rapidly after Walpole's fall in 1744, may be instructive, at least suggestive, but they are too numerous to be related here in detail. They prove that no man contemplated the perpetuity of the debt. The nature of the sinking fund which Walpole instituted, but misappropriated, has been described in two preceding sections. His reduction of the Land-tax from 4s. to 1s. in the pound, to secure the parliamentary support of the landed interest, has been alluded to. The Salt-tax was largely increased as a substitute; but failing to supply the deficiency, he then (says Sinclair) laid his hands on the savings deposits in the sinking fund.

Sir John Barnard, member for the city of London, an independent and able man, in opposition to Walpole, was the leading authority on subjects of finance for many years. He proposed a scheme for the reduction of interest, which the minister opposed, but which was carried into effect twelve years after, by Mr. Pelham, the then minister. It caused for several years more discussion than any other public question, but may now be briefly described as a reduction of interest, by converting 4, or $3\frac{1}{2}$, into three per cents. Money could be borrowed at 3 per cent., which gave Government the power of offering the stockholder his principal, or a lower interest. The stockholders contended for the right to all the benefits arising from a high interest in seasons of cheap and abundant money. They argued that, though the abundance of money, arising from the industry of the nation, enhanced their property, they had as good a right to it as the landowner had to the rent of land, which was enhanced by national industry, and not by him. The landowners did not assent to this doctrine, but agreed to cut off the profits of the fundholders.

SECTION XIV.

NARRATIVE OF THE LAWS FOR INCREASING THE PRICE OF CORN AND RENT OF LAND; THE EQUIVALENT OF THE LAND-TAX.

During the period of time comprised in the last section (reign of George II.), the policy of sacrificing every other national interest to that of the landowners, rose to excess. It was then, and had long been, as indeed it continued to be, a policy too intimately mixed up with financial legislation to be passed lightly over in the present series of papers. The period at which the Association have now arrived is perhaps as convenient as any to review this policy.

In the reign of George II., or, as might with more propriety be said, during the ministerial reign of Sir Robert Walpole, the various factions of Whigs, Tories, and Jacobites, re-arranged themselves into a "court party," the favourites of the Minister and the Court, and a "country party," formed of unplaced Whigs, and of nearly all the Tories and Jacobites, the latter being adherents of the exiled Stuarts. This "country party" was largely possessed of land, and professed to have only the good of the country at heart. To win its support to ministerial measures generally, and to detach those of its members most distinguished for their great estates of land, the two-fold policy was acted on, first, of reducing their proportion of the taxes (already reduced below an equality with other subjects) far below the conditions of public service which attached to the grants of land when private property in the soil was established to provide for the public service (see Blackstone and other constitutional lawyers; also the earlier sections of the present series): and, second, by paying, out of the taxes levied from other sources, a bounty upon the exportation of corn, to make it dear at home, and so increase the rent of land. The industrial classes, on whom the chief burden of the taxes by that time fell, had the hope that if Walpole were out of office, a more equitable system would be established. But when he was displaced, the policy of pampering the landed interest continued to be that of his successors.

Walpole, however, was not the originator of the bounties on corn. He established bounties on fisheries, which, though believed at the time to be wise measures, were proved by experience to be otherwise.—(See "Wealth of Nations;" article, "Bounties.") The bounties to encourage the exportation of corn were established in the first Parliament of William III., at the revolution of 1688. It was William's policy to court the favour of the great families, as we have already had occasion to remark. But there were corn-laws before that period, several of them directly intended to enhance the income of the landowners. And here, in estimating what the landed interest owes the nation, and in what proportion it should in future bear the burden of the mighty debt it has had such a large share in contracting and perpetuating, it may be instructive to give a connected narrative of laws intended to increase the price of corn, and, by increasing land rental, to diminish the fiscal burdens of land.

In the early periods of English history, the corn-laws had reference to the public good, and were in harmony with the tenures upon which land was then held as private property—namely, for the defence of the country. The first corn-laws had in view the sustenance of the people in the country. Thus, in 1197, reign of Richard I., it is recorded that there was a great famine and mortality in England. "The King found some ships at St. Valeri, full of corn, exported from England; he ordered all the people belonging to the vessels to be hanged, and sent the corn back." The hanging of the people would indicate that they had been forbidden to export the corn.

In 1360, the exportation of corn was prohibited by statute 31st Edward III. In the previous century, Sir William Wallace had, in Scotland, proclaimed a free trade to all the world, and invited the merchants of foreign countries to carry corn to Scotland in exchange for wools, skins, leather, and such products as Scotland had to export. Subsequently, the Kings of Scotland repeated such invitations to the foreign merchants. They were generally in favour of a free trade.

In England, the statute 17th Richard II. (1393) authorised merchants to export corn "to what parts that please them." But it is added, "Nevertheless, the King wills that his council may restrain the said passage of corn when they think best for the realm." This act was renewed in 1425 by the 4th Henry VI. In 1436, a statute came into force, allowing the exportation of wheat, without the King's license, as soon as it shall reach the price of only 6s. 8d. per quarter at the place of shipment. This is the first statute in which "the poor farmer," or "agricultural interest," is avowed to be the motive for a corn-law. The previous restrictions on the exportation of corn were thus referred to in the preamble:—"For cause whereof, farmers and other men which use manurement of their land may not sell their corn but at a bare price." By the 20th Henry VI. (1441), this statute was continued, and in 1444 was rendered perpetual. In that reign, it is worthy of remark, the King was a political nonentity, the barons having the whole governing power in their own hands.

In 1463, 3rd Edward IV. (a King of greater energy, yet, as head of the Yorkists,

and at war with the Lancasterians, dependent on the barons for his Crown), a statute was enacted which, for the first time, interfered with importation, and avowed that the *protection* of the home corn-growers was the object of legislation. "Whereas," it says, "the labourers and occupiers of husbandry within this realm be daily grievously endangered by bringing of corn out of other lands and parts into this realm, when corn of the growing of this realm is at a low price." It was provided that wheat should not be imported until the price at the market of import exceeded 6s. 8d. per quarter. Up to this period there is no reason to suppose that the importation of corn had been prohibited or restricted; the restriction had only been on exportation. Land was now in process of becoming private property, irrespective of public services. Practically, the executive and legislative authority, even the power of the Crown, was held by the great landowners. It was the period when the barons, with Warwick at their head, were "king-makers." Gradually they had freed themselves from the duty attaching to their estates—that of providing the national defences—and transferred a large part of the burden to the cultivating occupiers of land, and to those engaged in professions and commerce. And, concurrently with the power of thus relieving themselves, and assuming the soil of the country as absolutely their own, they began to legislate for the protection of their corn from foreign competition. But Edward IV., though he attained to power through the "king-makers," assumed the control of the exportation law. The landowners sought to export, irrespective of the legal price of 6s. 8d., but the King withheld his license. A lady landowner, writing to her son in 1474 (Magaret Paston), after quoting the price of grain, says:—"There is none suffered to go out of this country as yet; the King hath commanded that none shall go out of this land. I fear me we shall have a right strange world. God amend it when his will is."—(*Paston Letters*, vol. ii, p. 91.) There is no reason to doubt that the principles natural to commerce and national wealth were then as now; that an abundance or a scarcity should have been allowed to be freely corrected by the demand or supply of other nations. But of the two principles then and afterwards at issue—that of the King restraining the export of corn to preserve the general sustenance of his subjects and that of the landowning barons seeking the King's license to export, while they had by legislation prohibited importation, the policy of the King was at once the most generous and least erroneous.

In 1533, by the statute 25th Henry VIII., it was forbidden to export any corn or provisions at any price, without the King's license. The kingly power was then absolute. The Corn-laws during this reign, and the two next (Edward VI. and Mary), related to the internal trade, and were numerous and complicated. Their chief aim was to keep down the price of corn to the consumers, by suppressing all dealing for profit between the growers and consumers.

In 1562, wheat was permitted to be exported when at 10s. the quarter; rye, beans, and peas, at 8s., and barley at 6s. 8d. In 1571, an act passed for settling, once a year, the prices at which corn might be exported. A customs duty of 1s. per quarter was charged upon all wheat exported under this law, and 2s. per quarter for that exported by special royal license. The law of 1463, which prohibited importation so long as the price of wheat was under 6s. 8d., had become inoperative by the advance of prices; or, more correctly, by the depreciation of the coinage. Henry VII. and VIII. had debased the public money for profit. A greater number of shillings were required for a quarter of wheat, so that 6s. 8d. was no longer a market price.

In 1592, the price at which exportation, was permitted was raised to 20s. per quarter, and the export customs duty to 2s. In 1603, importation was prohibited until the price was 26s. 8d. In 1623, it was fixed at 32s., having risen in the course of sixty-five years from 6s. 8d.

By the act 21st James I., the buying of corn, and selling it again for profit, was prohibited, unless wheat was under 32s., and other grain in proportion. The King was also to prohibit exportation by proclamation. In 1627 an act, 3 Charles I., was passed relating to the trade in corn, but was substantially the same as the preceding. In 1660, a new scale of duties was enacted. When wheat was under 44s., the export duty was to be 5s. 6d.; and when the price was above 44s., this duty was to be 6s. 8d. When the price did not exceed 40s., exportation was permitted free.

In 1663, the corn trade was again "regulated," or deranged, by an act of Parliament, 15 Charles II. The landed interest was once more in the ascendant, and

legislation in favour of high prices became frequent. From the time of Henry VI. and Edward IV., when "king-making" gave the barons the privilege of making corn-laws exclusively for themselves, all through the reigns of Henry VII. (who stumbled and plundered the temporal barons, as his son, Henry VIII., did the spiritual), and of the son and two daughters of Henry VIII.; of James I., Charles I., and Oliver Cromwell, the landed aristocracy were retained in comparative subjection by either the royal or the popular powers. But now (time of Charles II.) they were again "king-makers," and law-makers, and we find that the legislation on corn was *not*, as it had chiefly been when they were a subordinate power, intended, however erroneously, to favour cheapness, but expressly directed to make dear. They also prohibited the importation of Irish cattle. The act of 1663 provided that when wheat did not exceed 48s., the export duty should only be 5s. 6d., having three years before been fixed at 6s. 8d. when the price was 44s.

In 1670, a farther change was made in the same direction. So long as wheat was under 53s. 4d., the export duty was to be only 1s. per quarter. While by the same act, corn imported from foreign countries was loaded with duties so heavy as practically to prohibit it, the import duties being 16s. when wheat was under 3s. 4d. per quarter, and 8s. when above that price and under 80s. Above 80s., importation became free. The complaint of this period was, that "farmers were unable to pay their rents." Rents had risen greatly in the beginning of this and end of the preceding century; and farther, the complaint ran, that the diet of poor people had become so good as to make them proud; that the poorer classes were seen "traversing the markets to find out the finest wheats, for none else would now serve their use, though before they were glad of the coarser rye bread."—*Tooke's History of Prices.*

The year 1688 was preceded by several abundant harvests, which depressed the prices of corn. The two preceding years had been a period of free trade with France, of great benefit to the nation, as the largely-increased imports and exports showed. But the English manufacturers, alarmed at the French importations under this free trade, the English landowners being depressed with cheap corn, and the religious Protestants, with those who held church-lands as private property, being alarmed at the tendency of James II. to an alliance with the King of France and other Catholic princes, inclined once more to king-making—they made William III. He, in turn, with a view to secure the support of the landed interest, joined them in a statute entitled "An Act to encourage the Exportation of Corn." Hitherto export duties had been paid by the exporting merchant to the State; now the State was to pay the exporting merchant 5s. per quarter on wheat so long as the home price did not exceed 48s.; 3s. 6d. for rye when under 32s.; and 2s. 6d. for barley and malt when barley was under 24s. An act, 11 and 12 William III., removed all manner of duties from woollen manufactures, bread, biscuit, and meal exported, as well as from every kind of grain, "further to encourage the landed interest."

We have already seen how the favourites of William were enriched with the forfeited estates of the English Jacobites and Irish Catholics; and how land valued for land-tax at this time (which valuation is that prevailing to 1850) was even then a dishonest valuation, considerably under the real rental then paid.—*Sir John Sinclair.*

From 1689, first year of William III., to 1773, thirteenth year of George III., the act for the payment of bounties remained unchanged; but in that period various changes were made in the laws regulating the averages of price. It was a period generally of good harvests. The four years ending 1691 were abundant. The next two were middling. The next seven were years of scarcity and dearth. In 1699, the act to encourage exportation was suspended for a year, after much resistance, and only on the condition, expressly laid down, that it would revive on the expiry of the suspension. Prices had reached 56s. 6d. for the average of wheat. In the twenty-three years ending 1715, there had been eleven deficient harvests. In the next fifty years, ending 1765, there were only five deficient harvests. The following year, 1766, was one of great severity, the quartern loaf selling in London at 1s. 6d. Petitions were sent to London from all parts of the kingdom, complaining of distress, and the exportation of corn was prohibited by proclamation. So also in 1767. In 1768-9 it was restored, but again suspended in 1770-1. In 1772 it continued inoperative by the scarcity of corn. Importation

was in that year allowed, duty free, to the 1st of May, 1773. In the ten years, ending 1774, the average price of wheat was 51s.

In 1773, the most favourable Corn-law allowed for nearly three hundred years was enacted. It admitted corn on payment of 6d. per quarter, when the price at the port of importation was at or above 48s.; when the price was as high as 44s. exportation and the bounty together were to cease. Importations were considerable. Prices were more than usually steady during the next eighteen years, though there were five bad harvests.

The landed interest, however, alleged that the act of 1773 had rendered England dependent upon other countries for the supply of corn. The bounty by which the corn-growers had formerly profited, had never come into operation under this act, though expected to do so as before; hence a great dissatisfaction prevailed against the existing Corn-law, which they were sufficiently powerful to change by a new act of Parliament in 1791, to the manifest disadvantage of the public interests at a time when the nation was about to be burdened with new war-taxes and debts, in a contest undertaken mainly, if not entirely, to appease the landed aristocracy.

The new Corn-law of 1791 provided that, after November 15 of that year, the export bounty of 5s. per quarter should be paid when wheat was under 44s., and that when wheat was at or above 46s., exportation was to cease. The new scale of import duties was this: for wheat under 50s. per quarter, the duty was 24s. 3d.; at 50s., and under 54s., the duty was 2s. 6d.; at or above 54s., the duty was 6d. The protecting price was thus raised from 48s. to 54s. per quarter.

Before going further it will be convenient to review the operation of the bounties, and to compare their nominal amount paid out of the public revenue with their real or probable cost to the nation.

SECTION XV.

THE LAND-TAX AND ITS CONJOINT CORN-LAWS, FROM 1688 TO 1849.

The statistical writers of the period when bounties were paid to "encourage the export of corn" estimated their effects solely by the pounds sterling paid out of the treasury; they did not even include the cost of the treasury servants, a numerous, highly-paid staff, employed in disbursing the bounties, taking evidence of exportation, and always receiving pay, whether corn was exported or not. But it is now admitted as a truism, that the natural price of corn is that which it sells for in an unrestricted market, open to the national commerce; and that any augmentation of price for home-grown corn, beyond that which free buying and selling establishes, whether caused by a duty preventive of importation, or a bounty promotive of exportation, is a revenue to the corn growers levied on the consumers.

The evidence taken by the Committee of the House of Commons, in 1840, on the import duties, bore upon this point with peculiar effect; especially that of Mr. M'Gregor, now M.P. for Glasgow, then secretary to the Board of Trade; and of Mr. Deacon Hume, who had been eleven years secretary to the Board of Trade, and thirty-eight years a superior officer of the Customs. The latter was asked by the committee (question 1228), "Have you ever made a calculation as to the amount of taxation which the community pay in consequence of the increased price of wheat and butcher's meat, which is occasioned by the monopoly now held by land?" To which he replied, "I think a tolerable calculation may be made of that increased charge. It is generally calculated that each person, upon an average, consumes a quarter of wheat a year. Assuming, then, the amount of duty which this wheat paid, or the price enhanced by protection, whatever that is, as far as bread goes, to be ten shillings, it would be that amount upon the whole population; then, you could hardly say less than double as much for butcher's meat, and other things protected; so that if we were to say that the corn is enhanced by ten shillings a quarter, and twenty shillings more, as the increase of the price of meat and other agricultural productions, including the provender of horses, barley for beer, as well as butter and cheese—that would be thirty shillings a year for each of the population; to twenty-four millions of persons, £36,000,000. The public are, in fact, paying that as effectually out of their pockets as if it did go to the revenue in form of direct taxes."

Q. 1229. "And, consequently, are less able to pay any taxes that the State may require for its support?" A. "Certainly; I conceive that, having paid the private taxes, they are the less able to pay the public taxes."

Q. 1230. "Is not the effect of that, also, to cripple and limit the industry of the country?" A. "I conceive the greatest of the evil lies in that branch of the question. It is not so calculable; but if they could have the trade which I believe they would have if all those protections were taken away, I think they could pay thirty shillings a head easily, compared with what they can do now." And he might have added, that if all revenue restrictions were removed from industry and commerce, the effect would be to make the direct payment of money taxes an unspeakable privilege, compared with those taxes which hold industry in bondage, and eat like a cankering worm into its vitality. (*See the Tracts of the Association for an analysis of the various Taxes.*)

Q. 1231. "So that the burden of this protective system generally exceeds the amount of taxation paid to the State?" A. "I conceive so, taking the cost and the evil consequences together, if that evil were equally subject to computation; it is the case with many duties, such as some of the excise duties, which are more injurious in their regulations than they are in the sum taken from the people, though you cannot estimate the injurious effect. I conceive the actual money paid, and the evil effect computed in money, would be more than the whole revenue of the country."

Mr. M'Gregor's estimate goes beyond this; but it is to be observed that Mr. Deacon Hume assumes ten shillings of enhanced price on bread, and double that on all other protected agricultural products, for illustration, rather than as a fact; in the latter part of his last answer he speaks indefinitely. Mr. M'Gregor said, in answer to Q. 1014, "I consider the taxation imposed upon the country, upon the production of wealth through labour and ingenuity, by our duty on corn, and the provision duties and prohibitions, are far greater than, probably much more than double, the amount of taxation paid to the State."

Those estimates have been questioned, but no proofs that can stand investigation have been offered in controversion of them. It is said they are discrepant. True; but they are rather illustrations than positive estimates. We are in a better position now (close of 1850) to estimate the cost of the Corn-laws, than they were in 1840. It is believed by practical men (claimed even by the landowning class as a fact), that the average of wheat would have been now 70s. per quarter, at least, had the Corn-laws still existed. That it would have been over 60s.—that is, 20s. per quarter dearer than it now is—no reasonable person can doubt, all the conditions of crop and season duly estimated. This gives, for the present year, ten shillings for each person more than Mr. Deacon Hume estimated, making £2 per head; which is, for a population of about twenty-eight millions of persons, an amount of £56,000,000. But it is more probable that under the Corn-law which existed up to 1842, the present season would have been oppressed with prices of wheat above 70s. per quarter.

It has been objected to these estimates, that, were they true, the country would become immensely, immeasurably rich in a few years of good harvests, which has never been the case. The fallacy of this objection is the supposition that, with food at a moderate price—the quarter loaf at or under sixpence—the people will abstain and go a-hungering, famine-stricken, half-employed, or wholly penniless, in abject misery, as they did when the loaf was at or over a shilling. The national wealth expressed by that sum of fifty-six millions sterling, now saved to the nation by the extinction of the Corn-laws, is to be seen in the wealth of domestic comfort, personal health, general contentment, and industrial prosperity, compared with the penury, pestilence, discontent, and unspeakable misery which must have now afflicted the country, had food been at a high price, concurrently with the high price of the raw material of our greatest manufactures.

But there is other evidence in favour of these estimates being within the truth. The Legislature adopted and founded on them an Act of Parliament, by which duties on corn for protection or revenue were abolished. The Legislature was led by a statesman who became convinced of the truthfulness of those estimates, to whom now almost every town of commercial eminence in the kingdom is raising a monument in honour of his convictions; who, in retiring from office, deeply conscious of the relief about to be given by that act to the nation, said, "It may be

that I shall leave a name sometimes remembered with expressions of good-will in the abodes of those whose lot it is to labour, and to earn their daily bread by the sweat of their brow, when they shall recruit their exhausted strength with abundant and untaxed food, the sweeter because it is no longer leavened with a sense of injustice."

Well, then, having established that this manner of estimating the loss sustained by the nation, through restrictions on corn imports, is correct in principle, though the estimates may not be precise in fact, to what further use do the Financial Reform Association apply it? Listen. If restrictions on the importation of foreign corn increased the price of the corn grown at home, and were, therefore, a tax upon the nation for the benefit of the owners of land, it must be equally true that so far as bounties on the exportation increased the price at home, the amount of increase was a tax upon the nation paid to the owners of land. Now, the history of the bounties to encourage the export of corn, and the history of the Land-tax from the Revolution of 1688, are so allied that they cannot be disassociated. In last section, the Corn-laws were traced up to that enacted in 1791, under which the bounties became inoperative.

The association will now trace the Land-tax from 1689, when it was imposed jointly with the act to encourage the exportation of corn; and taking up the Corn-law legislation at 1791, to which it was followed in last section, will proceed down to the extinction of the Corn-law, 31st January, 1849, showing the *probable* balance between the nation and the landed interest.

First, as to the valuation of Land.

Sir John Sinclair relates it thus:—

"The circumstances of the country at the accession of William to the throne were such, that no tax could be depended upon as sufficiently productive, that was not imposed upon land, in the produce of which the wealth and income of England at that time principally consisted. That it might be rendered as efficient as possible, new assessments were taken of the property and income each individual possessed. But the rate was far from being equal. Those who were attached to the principles established at the revolution were forward to show their zeal in favour of the new Government, and gave in a fair statement of their real situation" (a very doubtful statement, as other writers allege), "while the secret and the avowed friends of the exiled family, the sordid and avaricious, gave in a very different account, estimating their property at the lowest rate at which it could be calculated. Hence the assessments since known under the name of Land-tax were not in any respect so productive as they ought to have been."

To reconcile the landowners to the tax, even on this valuation, the act to encourage the exportation of corn was passed.

Land-tax paid to the State from the 5th November, 1688, to the death of William, in 1702..... £19,174,059

The foregoing varied from 1s. 6d. to 4s. in the pound, Catholics paying double.

Years 1703 to 1710, at 4s.; from 1711 to 1714 at 2s..... 21,285,909

1715-16, at 4s., to 1720, at 3s.; from that to 1722, at 2s.; 1723, at 3s.; from that to 1726, at 2s.; 1727, at 4s., and 1728, at 3s..... 18,470,022

1729-30, at 2s., to 1732, at 1s.; 1733 to 1738, at 2s.; 1739 to 1748, at 4s.; 1749 to 1751, at 3s.; 1752 to 1754, at 2s.; 1755 to 1760, at 4s..... 49,453,323

1761 to 1766, at 4s.; 1767 to 1775, at 3s.; 1776 to 1800, at 4s. 76,678,563

£185,061,876

The population of England, Scotland, and Ireland, averaged, from 1688 to 1800, at least fourteen millions; in fact, they numbered considerably more, but that number is according to a moderate estimate. The Association do not say how far the laws for raising the price of food in those 112 years effected their purpose; it is impossible to give a precise sum; but if the increase of price were at the rate of 30s. per annum for each person, the sum paid for food by the nation beyond its natural price, as a set-off for the Land-tax imposed at the accession of William III., would be 2,352 millions sterling, against 185 millions of Land-tax. Balance in favour of the nation and against the land up to 1800, £2,167,000,000 (*two thousand one hundred and sixty-seven millions sterling*).

If 30s. per head be thought too much, a smaller sum may be taken, and still the balance will be enormous; but what reason is there to suppose it too much? The following is a letter in the "Gentleman's Magazine," 1743:—

"SIR,—As the public are obliged to you alone for the publication of the large sums allowed for the exportation of grain in the tables inserted, I could never discover the wisdom of granting a bounty for exporting the staff of life, unless a proper stock were reserved for the nation. But when I reflect on the sums given in 1738 and 1739, no less than £289,504 5s. 8d., to carry to other countries 1,434,600 quarters of our grain to enable them to underwork and ruin us; when I reflect that by the failure of the ensuing harvests, and the killing cold winters, how many of our poor were reduced to eat grain and worse food,—how many were absolutely starved to death, and how piercing a spectacle the neighbourhood of Edinburgh afforded, of many labouring people stretched expiring on the ground, with grass and dirt in their mouths, give me leave to demand, sir, where is the wisdom of such a law?" &c.

From the year following the publication of this complaint (which is but one of many), the exportations were, up to 1748, 3,768,444 quarters of wheat, the bounty on which was 5s. per quarter. Price of the wheat, £8,007,948.

It is unnecessary to overload these pages with figures. The exports of corn are scattered over so long a period, that they could only be collected with great labour. The whole amount paid in corn bounties up to the period when the law ceased to operate, was stated to have been nearly £9,000,000. But this, of course, proves nothing as to the actual payment to the landed interest by the nation. The bounties being a conjoint law with the restrictions on imported corn, the proper estimate of loss to the nation is that which is founded on the enhancement of price.

From 1791 to 1804 the prices of corn fluctuated enormously. 54s. was the price at which wheat was admitted free. It rose in 1800 above 120s., and reached, March, 1801, 155s. Bounties were offered for limited importations; but the uncertainty to the merchants of being within the limits deterred many from engaging in the trade, and less was imported than if no bounty had been offered, much less than if the trade had been free; yet, in 1802, wheat fell to 57s., there being a good harvest; in 1803, to 52s. 3d., and in 1804, to 49s. 6d. This caused a prodigious panic, with cries of "agricultural distress." A new law was passed, imposing a duty of 24s. 3d. on wheat under 63s.; above 66s., it was to be admitted at 6d. of duty. This law became inoperative, under a series of extraordinary circumstances, continental and American war, Milan and Berlin decrees (closing the commerce of the world against England so far as France could do so), deficient harvests, and enormous consumption by the delirious expenditure of loans and taxes. At the close of the war in 1814 prices again fell, and a new law was enacted, intended to prohibit the importation of corn when the price was under 80s. The law of 1689, relative to bounties, was also repealed in 1815, and exportation of corn legalised without reference to price. Prices fell in 1820-21-22, to 65s. 10d., 54s. 5d., and 43s. 3d. This law was altered slightly in 1822, materially in 1828. But the Currency Act of 1819 had made a greater change in favour of the rent owners. At 74s. wheat was now to be admitted at 1s. duty—a price which has been calculated as equal to or more than 100s. in 1815. The lowest price for admission was now 52s., with a duty of 34s. 8d. In 1842, the law was altered, making the duty 10s., with wheat at or under 48s., the duty rising 1s. with 1s. of price, until the price was 53s. and upwards, at which the duty remained at 4s. In 1846, an act passed for the extinction of those laws, which took full effect 1st February, 1849.

The burden of the Corn-laws subsequent to 1815 were thus calculated in the discussion which ended in their repeal.

1815 to 1821, six years; mean population twenty millions at £2 per head	£240,000,000
1821 to 1831, ten years; population twenty-three millions.....	460,000,000
1831 to 1840, nine years; population twenty-five millions	450,000,000
After 1840	200,000,000

£1,350,000,000

The period between 1800 and 1815 is not yet included. Part of the excess of prices in that period was attributable to other causes than legislation, though the high prices, from whatever cause arising, went to the landed interest. According

to the estimate of other periods, this, consisting of fourteen years, with fifteen millions of people at £2 per head, yielded above the natural price of food—

	£420,000,000
To which add that of the period subsequent to 1815.....	1,350,000,000
And that of the 112 years, ending 1800.....	2,352,000,000

And we have a sum of.... £4,122,000,000

The Land-tax was partly redeemed under the act of 1798. It may be assumed that the price of redemption, some of it not taking effect until 1802-3, was equal to the payment of the tax until 1823.

This gives twenty-five years at an average of £2,038,007 per ann., making	£50,950,175
The Land-tax remaining unredeemed yields, on the old valuation of 1692, at 4s. in the pound, £1,158,245, which from 1823 to the expiry of the Corn-law in 1849, twenty-five years, gave	28,956,125
With which add Land-tax paid up to 1800	185,061,879
Total Land-tax paid between 1688 and 1849	£264,968,179

Estimated tax paid by the nation through Corn-laws to the landed interest from 5th November, 1688, to 31st January, 1849	4,122,000,000
Deduct the "peculiar burden" paid by land to the State	264,968,179

Overpaid by the nation to landed interest..... £3,857,031,821

Had the improvident dissipation of the Land-tax under the act of 1789 taken full and immediate effect, at twenty years' purchase there would have been no land-tax received. Since then, while its purchase money being at once spent (as that was which redeemed £879,762 of annual tax), there would have been a blank, as there now is, so far as the tax redeemed is concerned. It would have been quite as honest, and not more foolish, to have sold the Land-tax in 1688 for twenty years' purchase, and spent the money at once, as it was in 1798.

SECTION XVI.

COST OF THE AMERICAN WAR FROM 1773 TO 1783, WITH OTHER INCIDENTS.

After the conclusion of the war in 1762 (traced, with its taxes and debts, in Section XIII.) there were twelve years of peace. These were succeeded by the war with the American colonies, which added more to the debt than any previous war. Before detailing the financial events of that period, it is requisite to glance briefly at the state of political ethics, party conflicts, and the settlement of the civil list revenues at the accession of George III. in 1760.

The opposition which had agreed to displace Sir Robert Walpole in 1742, was too numerous to be satisfied with the pickings of office, which could not be universally divided. Lord Wilmington was First Minister for but one year. He died. The Pelhams, two brothers, one afterwards Duke of Newcastle, succeeded. The elder William Pitt, who was subsequently Earl of Chatham, was still omitted to please the King; and, because he was so, the Pelhams resigned, February, 1746. Lord Granville (formerly Cartaret, to whom had been given most of the province of Georgia, now one of the United States), became First Minister for four days. The Pelhams returned to office, the younger as head of the Cabinet, with Mr. Pitt as Vice-Treasurer of Ireland, and he was soon afterwards made Paymaster-General.

"Mr. Pitt now became the determined advocate of the measures which for ten years of his Parliamentary life he had strenuously opposed. Nor did he scruple to avow his apostacy, justifying himself on the common pretext that 'as he had grown older he had grown wiser.'"—(*Smollett.*) Unhappily for posterity, his apostacy was to the side of folly, extravagance, corruption, financial disorder, new taxes, new loans, and the perpetuation of debt. He soon acquired the controlling power of government, though not the nominally highest office. One of the most reprehensible measures which he had fervently condemned, but now supported and extended, was the payment of subsidies of English revenue to the petty states of

Germany, Denmark, and Sweden, for the hire of soldiers to be kept in readiness for the English Government.

Mr. Henry Fox (afterwards Lord Holland) and Mr. Pitt were now the leading debaters of two sections of members, which leadership both handed down to their sons. March 6th, 1754, Mr. Pelham, premier, reputed to have been a more honest and amiable man than his coadjutors, died suddenly in the flower of life and reputation. He was succeeded by his brother, the Duke of Newcastle, under whose arrangements both Fox and Pitt considered themselves ill-used, the first in losing the leadership of the House of Commons, by an inferior person, Mr. Legge, being made Chancellor of the Exchequer, and the latter by not obtaining a Secretaryship of State. These changes and personal disagreements seem immaterial at a cursory glance; yet it is to such petty squabbles that the political corruption, wars, debts, financial disorder, and fraudulent misapplication of public money, characteristic of that reign and much of the next, must be attributed. November 11, 1757, the Duke of Newcastle resigned, leaving the way open to Mr. Pitt and his section of the Cabinet and Parliament. December 4, 1757, he was appointed Secretary of State in room of Mr. Henry Fox, resigned. April 6, 1758, Mr. Pitt was dismissed. He was so popular as a war minister, that the freedom of the City of London was given him in a gold box. Six weeks were spent in constructing a new ministry, which was concluded at last with Mr. Pitt principal Foreign Secretary, and leader of the House of Commons. And now the subsidising of Hesse-Cassel and other states, whose subjects were sold as soldiers, was greatly extended. December 13, 1759, a loan of eight millions was authorised by Parliament at four per cent. for a period of years, and a lottery ticket, value £3, was given to each subscriber for £100 of the loan; the whole of the eight millions was subscribed for before the resolution was known out of the House of Commons; the stock being very generally and profusely allotted to members of Parliament and the friends of Mr. Pitt. As money could have been borrowed at three per cent., or little more, this stock sold readily at a premium, which gave a large bonus of corruption to the members of Parliament. This was worse than anything Walpole did, who had been so vehemently censured for his corrupt influences by this Mr. Pitt. Worst of all, this loan-jobbing among supporters of the Ministry became a precedent, which was acted upon by the next William Pitt, son of this minister, to a far greater extent. It is alleged that neither father nor son jobbed for their own profit in those loans. The question upon this naturally arises—What was their own profit? They both authorised clandestine stock-jobbing, most disastrously for the nation, to maintain their hold of political power, to keep themselves in positions of highest eminence. Some men are greedy of money, while some are greedy of distinction. The latter sentiment among public men has been the most dangerous and disastrous to the nation. To achieve it, they have scrupled at no sacrifice of the public interests. William Pitt, the elder, who might not descend to fill his own pockets with public money, yet bound the nation to a contract for eight millions, at four per cent., and a £3 lottery ticket as a premium, when he might have borrowed the money at a much lower interest. But at a lower interest it would not have yielded the profit it did to the subscribers—the members of Parliament, whose support he courted.

But the military success of Clive in India, and Wolf in America, reflected a popular lustre on Pitt, which his friends were not slow to boast of. The prolonging of the war, and the distribution of the loan contracts in the city and House of Commons made him popular with influential classes of men.

Such was the state of parties and political morals at the accession of George III. "The premiership being the capital prize, the chief point of contention was, whether Walpole, Pelham, Pitt, Rockingham, Bedford, Grenville, or Grafton should be the head of the Treasury. Every change gave rise to new disputes, intrigues, and confederacies, and the country suffered in the choice of its Ministry, from the conflicting cabals of the aristocracy, the evils of an elective monarchy, with this aggravation, that they were of more frequent occurrence than when dependent on the life of the Sovereign. * * * * The public debt and expenditure had increased. Exhausting continental wars had been waged under every imaginable pretext, and a standing army became a constant part of the peace establishment. In struggles for power they professed popular maxims, which were openly belied immediately they had served their temporary purpose. To gratify selfishness and

ambition, not to serve their prince and country, seemed their main object.”—*Wade's Chronological History.*

The King was much influenced by his mother, whose admonition to him, often repeated, was—“George, be King!” Lord Bute, who had acted as his guardian in his minority, was now made a lord of Council. Pitt proposed to declare war against Spain, which Bute successfully resisted; whereupon Pitt resigned, Oct. 5, 1761. He received a pension of £3,000 per annum for his own life and the lives of his wife and son, with the title to his wife of Countess of Chatham. The Duke of Newcastle remained nominal head of the Ministry, but the Bedford and Fox section gained the ascendancy. May 29, 1762, the Duke of Newcastle resigned, and the Earl of Bute became First Lord of the Treasury and head of the Cabinet. The Duke declined a proffered pension, with the remark, that “if he could no longer serve, he would not burden, his country.”

November 3, 1762. Articles of peace were signed by the Duke of Bedford, on behalf of Britain with France. We gave up nothing we possessed at the commencement of the war, and obtained Canada from France, and Florida from Spain. Our conquests in the East Indies were restored to the French; but we retained Senegal in Africa, and several West India Islands. On the 25th the articles of peace were laid before Parliament, and were vehemently assailed by Mr. Pitt, defended by Mr. Henry Fox, now ministerial leader in the Commons. A vote of approval of the peace was carried by 319 to 65. Unexampled Parliamentary corruption is alleged to have been employed on this occasion. Places in the royal household were needlessly multiplied, pensions lavishly granted, and £25,000, in bank notes of £100 each, distributed to the members in one day; the only stipulation of ministers being—“Give us your votes!”

Sir John Sinclair, in his “Introduction to the Reign of George III.,” writing in 1789, said:—“In the page of some future historian the history of the present reign will form the subject of a curious and important narration; and it will then probably be stated, that a great and powerful empire, in consequence of internal divisions, was on the brink of falling, from the highest elevation of strength and power, into an abyss of misery and weakness; and then, perhaps, it will become a curious subject of political speculation, whether that corruption which is inherent in a despotic Government, or that factious spirit which so often prevails in a free State, is the most unfortunate circumstance to a country.”

He proceeds to state the amount of George the Third's civil list revenue, which was voted at £800,000 a year up to 1777, and £900,000 subsequently. Parliament paid the debts in 1769-77-84-86, contracted by George III., in pensions, grants, and extra allowances to the royal family;—in all, those debts were £890,000. In addition to which, there were £120,000 for royal marriage portions, £60,000 a year for a separate establishment to the Prince of Wales, and payment of his debts, £181,000. But the only present interest we have in examining the civil list revenues of George III. would be to test the assertion, frequently made in Parliament (repeated so recently as July 1850, in voting £12,000 a year to the Duke of Cambridge), that the nation gained considerably by the new arrangement of the Crown under George III., whereby a certain sum was voted as a civil list, and the “ordinary” revenues of the Crown were transferred to the public exchequer. This would, however, lead into the Woods and Forests, Crown lands, and other branches of Government, at too great a length, and interrupt the present narrative of financial events. It is enough to say, that, through speculation and mismanagement, the nation has as yet the worst of the bargain.—(*See the Tract of the Association on Woods, Forests, and Crown Lands.*)

(To be continued.)

FINANCIAL REFORM TRACTS.

No. 32.

HISTORICAL REVIEW OF THE FISCAL SYSTEM.

SECTION XVI.

(Continued from No. 31.)

COST OF THE AMERICAN WAR, FROM 1773 TO 1783, WITH OTHER INCIDENTS.

Unfortunately, the royal expenditure and debts, though often treated as grievances, have been so prodigiously exceeded by the expenditure and debts arising out of national folly, political error, party spirit, commercial monopolies, and selfish class legislation, that they sink into comparative insignificance in our financial history. The political errors and other follies of the reign of George III. were not unconnected with the institution, nor yet the personality of the monarchy. But the nation, as such, with its long cherished "mercantile system" of monopolies, its vehement jealousies of neighbouring nations, its proneness to acquire colonial territory, regardless of means or manner of peopling and governing such territory, and its aptitude to be interested in the rivalry of party leaders, was the cause of its own extravagant expenditure, taxes, and debts.

The prevalent opinion to this day about the independence of the United States is, that the American colonies rebelled against the mother country because the latter sought to impose on them, first, a stamp tax, which she withdrew, and, second, a tax on tea, which she enforced; and, further, the popular belief runs, that had not George III. been obstinate, the differences might have been settled before a separation ensued. Sir John Sinclair, writing soon after the event, said, "We have, fortunately, lost New England in America." The word "fortunately" gave great offence in this country; yet his reasons for rejoicing at the separation, his summary of the cost of retaining the American provinces as colonies, with anticipations of what they might become as an independent yet kindred nation—kindred in its interests rather than its descent—which anticipations we see more than realised in 1850, afford ground for us to approve rather than condemn his financial philosophy. In short, the people of this country were quite as obstinate in the American and French wars of the eighteenth century as the King, while in their obstinacy of enforcing our exclusive navigation-laws and commercial monopolies on our colonies (on Ireland, also, against the avowed inclination of George III.), they rendered the colonial war of independence one impossible to settle by withdrawing the impost of taxation. The American colonies were prohibited from exporting goods to any country in Europe but Britain, importing from any country but Britain. They were not permitted to trade with Ireland, nor Ireland with them. All goods carried by them into or out of the ports of Britain, were strictly confined to British vessels. They destroyed the cargoes of tea in Boston harbour, less because a duty of 3d. per lb. was levied on it, than because it was carried into Boston in British-built vessels, they being prohibited from conveying it in their own vessels, or that and other foreign goods in any vessel to America, until such goods had been first landed in England.

Mr. Bancroft, historian, of the United States, says of those laws:—"The activity of the ships of New England, which should have excited admiration, excited envy in the minds of the English. The law was still more injurious to England from its influence on the connection between the colonies and the metropolis. Durable relations in society are correlative and reciprocally beneficial. In this case the statute was made by one party to bind the other, and was made on iniquitous principles. Established as the law of the strongest, it could endure no longer than the superiority in force. It converted commerce, which should be the bond of peace, into a source of rankling hostility, and scattered the certain seeds of a civil war."

The late Mr. Huskisson, in proposing the relaxation of the Navigation-laws, 12th May, 1826, referred to the restrictions on navigation, which had been the real cause of the civil war between England and her American colonies, thus:—"It is generally believed that the attempt to tax our American colonies without their consent, was the sole cause of the separation of these colonies from the mother country; but if the whole history of the period between 1663 (when the law in question was enacted) and 1773, be examined, it will, I think, be abundantly evident that, however the attempt at taxation may have contributed somewhat to hasten the explosion, the train had been long laid by the severe and exasperating efforts of this country to enforce with inopportune and increasing vigour the strictest and most annoying regulations of our colonial and navigation code. Every petty adventure in which the colonists embarked was viewed by the merchants in this country and the Board of Trade as an encroachment on the commercial monopoly of Great Britain. The professional subtlety of lawyers, and the practical ingenuity of custom-house officers, were constantly at work in ministering to the jealous but mistaken views of our seaports. Blind to the consequences elsewhere, they persisted in their attempts to put down the spirit of commercial enterprise in New England, until these attempts roused a very different spirit—that spirit which ventured to look for political independence in the result of a successful rebellion."

In the following summary of payments out of the British Treasury on account of America, the item of "Bounties on the importation of American commodities" was a payment not to the colonies, but to British merchants. The figures are from Sir John Sinclair.

State of the Expenses of our American Colonies, from the Accession of the House of Brunswick (1714), to Michaelmas (1788).

1. For settling and securing and defraying the expenses of the civil governments of the American colonies	£1,294,582
2. For compensation and rewards to the said colonies for exertions in their own defence, or for assisting in warlike operations	1,372,518
3. For bounties granted on the importation of American commodities..	1,609,345
4. To the proprietors of Carolina for purchasing their title to that province	22,500
5. To the sufferers by the fire at Charles Town, anno 1740.....	20,000
6. Expense of surveys	34,296
7. From 1714 to 1775, the money voted by Parliament for the forces employed in defence of the colonies amounts to.....	8,779,925
8. From 1775 to 1788, both inclusive	1,400,000
9. Extraordinary expenses for forts, garrisons, ordnance stores, presents to Indians	10,500,000
10. Expenses of fleets and naval stations, established for the defence of America	12,000,000
11. Compensation and relief to American loyalists.....	3,500,000
Total	£40,533,166

But the greatest expense remains:—"For two wars entered into principally on account of the colonies, 240 millions sterling; in all, two hundred and eighty millions and a half."

The American war began in 1775, and ended in 1783; but as the two following years were burdened with the expenses of winding up the colonial account, and discharging the losses, they require to be included in our financial estimate of the cost of that war. The annual taxes were a little over ten millions in 1775, and were increased to nearly fifteen millions in 1785.

The loans were contracted annually from 1776, at the rate of 2, 5, 6, 7,	
12, 12, 13, 12, 12, and 12 millions per annum, making very nearly a	
loan of	£93,869,992
Add to those loans the taxes .. .	142,975,229
Advances by the Bank of England	110,000
Ditto by East India Company	3,200,000
Increase in the unfunded debt (beyond the loans noted above).....	5,170,273
	£245,325,494
Deduct expenses of peace establishment, as it stood nine years after—	
namely, at 1792; for the eleven years of war	113,142,403
	£132,183,091

Sir John Sinclair makes the net cost to have been £139,171,876. But he estimates the peace establishment differently from Mr. Wade, whom we have chiefly followed in the foregoing statement. Neither seems to be quite correct; the discrepancy arising from Mr. Wade taking the peace establishment at its rate after the American war, and Sir John Sinclair at what it averaged fourteen years before; and the latter adding to the loans the premiums, real and alleged, paid for the loans besides interest.

But the true estimate of the cost of that war, as of all other causes of debt, is to add the taxes and loans together, as above, and to that sum add the interest paid on the loans from 1785 (the date of the war accounts being wound up), to January, 1851.

SECTION XVII.

FROM THE MINISTERIAL ACCESSION OF MR. PITT, 1783, TO THE PEACE OF AMIENS, 1802.

Having traced the fiscal system from the earliest periods of English and Scottish history, somewhat minutely, to the close of the American war in 1783 (the period of the second William Pitt's accession to ministerial power), and having in some of the sections—as those on the sinking fund, land-tax, and corn-laws—pointed to Mr. Pitt's financial measures, the Association will not occupy space with a very elaborate narrative of financial history subsequent to Mr. Pitt's accession to office. It will be sufficient to cite the leading facts. First, however, a parting word with Sir John Sinclair.

His history of the revenue, from which various quotations have been made in preceding sections, followed its subject to 1789. Europe was then at peace. But the finances of France were deranged, and the whole social system of that country was disturbed by the intolerable injustice of the nobles and clergy (who, with the Crown, owned nearly all the land of France) being exempted from taxes, while the burden of national debt and heavy current expenditure was borne by the industrial occupiers of land, traders, and handicraftsmen. Still there was no apprehension of such results as followed—the disastrous revolution which convulsed France, and the more disastrous war which devastated Europe for twenty years with sword and fire; or that other form of war, which, if less awful at its occurrence, is more enduring in its disaster—namely, the invasion of taxes, debt, money-lending, stock-jobbing, and all the monstrous contrivances to pay for war, which eat into the heart of industry and paralyse the whole body-politic. There was, in 1789, no apprehension that any of these would recur for many years to come, if at all. It is seen, in the political literature of that time, that a strong sentiment prevailed in favour of a financial policy which should transfer the debt and taxes, or a great part of them, to the land, that is, to the capital of landowners, as distinguished from the productive capital employed in cultivation, manufactures, or commerce. The term then used to designate the landowners referred to persons, not to property or capital. It was the *inessential class*. Thus Sir John Sinclair writes (History of the Revenue, part iii, p. 114) :—

“By the principles of the feudal system, the holders and possessors of land claimed an exemption from all pecuniary taxes, being bound to personal services in war, and obliged to appear, when called upon, either to oppose or to attack the enemies of their country. A modern author has, with great ingenuity, reversed

this proposition, and contends that, as the landholders are no longer the defenders of the State, and, if they appear in that capacity, are paid for their services, like others, they ought therefore to be accounted an *unessential class* in the community, and that the whole pecuniary burden ought to be imposed upon them." In a footnote he says, "See a plan for finally settling the government of Ireland upon constitutional principles; printed for Stockdale, *anno* 1785; written by John Gray, Esq." To which Sir John Sinclair adds this other note:—"Perhaps the time will soon come when either the landed or the monied interest must be sacrificed, in which event it is not difficult to foresee who will be considered the *unessential class* in this commercial country."

The Association would here guard against the inference that they name any class the unessential, or that they class men at all. They seek to distribute taxation equitably on income, and would therefore classify property, or sources of income, but not men. They seek rather to undo that classification, which the legislature recognised when it laid taxes so lightly on the class from which its own members are chiefly supplied, and so heavily on classes of persons comparatively powerless in Parliament. (For proofs of that inequality of the fiscal burdens, see the various tracts of the Association on direct and indirect taxation; also preceding sections of the present series). The exemption of the landowners in France from fiscal burdens, and the corrupt dissipation of the finances, with the degradation of the tax-bearing people, induced that fearful revolution of 1792—the parent of other convulsions, past, and possibly yet to come, in that country. The fearful penalties then imposed on the favoured classes of France alarmed, and not without cause, the like classes in this country. Such doctrines of fiscal reform as that indicated in 1789 by Sir John Sinclair were held to be in the highest degree culpable, even treasonable. Urged by our fiscally-favoured classes, the minister, Pitt, plunged into war to put down the French republic, while all the terrors of the outstretched law were evoked to put down "French principles" at home. To remove the causes of the French revolution, so far as they existed in this country, was never admitted as a part of public policy. And now, at the distance of sixty years, our favoured classes seem to have forgotten no folly, surrendered no selfishness, learned no wisdom.

It must not be overlooked, however, that the war with France at the period now under notice was popular with the British nation. A few facts to elucidate this (which persons little acquainted with the politics of that period hold to be a paradox) will not be out of place. The facts must be those exemplifying the dishonesty of Parliament and the popular delusions of the people, two moral forces which, bearing on the Minister from opposite sides, hardly admitted of his pursuing a just and independent policy.

On the 6th of April, 1779, four years before Mr. Pitt was called to office, Mr. Dunning, a barrister, moved in the House of Commons his celebrated resolution, "that the influence of the Crown has increased, is increasing, and ought to be diminished." This was carried by a majority of 233 against 215. The minority imputed to the majority that they voted for the resolution only because they were disappointed in sharing the favours of the Crown. The House adjourned three weeks. On re-assembling, Mr. Sawbridge, a member, said that "ever since the vote of the 6th instant denounced the growing influence of the Crown, that influence had been in a progressive state of increase." So effectively, indeed, that no measure followed the denunciatory vote; while Mr. Dunning was shortly after raised to the peerage by the title of Lord Ashburton, with a high place under the Crown.

In 1781, Mr. William Pitt delivered his maiden speech on a motion made by Mr. Burke for a reform of the Civil List. The young statesman was eloquent in favour of financial reform and the purity of public men. This was on the 15th of February. On the 7th of March following, the House was called upon to vote a loan of twelve millions, under circumstances which had been applied for the corruption of members by Mr. Pitt's father in 1759, and which he himself applied freely enough when the period of the French war and its delirious borrowing and stock-jobbing arrived. The events of the 7th March, 1781, are thus related:—

"In opening the budget, Lord North estimated the entire expenditure of the year at twenty-one millions, of which it would be necessary to raise twelve millions by a public loan. The debate on this day and on the 26th showed the prevalent mode of Parliamentary management. The loan had been contracted for

o the most lavish terms, and distributed to the supporters of the minister as well as to other members whose support was calculated as purchasable. That the terms were wasteful appears from the fact that the shares the next day were sold in the money market at an advance of from ten to eleven per cent. Mr. Byng affirmed that half the loan had been subscribed by members of the House, which was, in fact, he said, a distribution among the Parliamentary supporters of Government of full £680,000. Lord Rockingham characterised the loan as one by which at least £1,000,000 of the public money had been corruptly lavished in bribing the representatives of the people to support the war."—(*Companion to the Newspaper*, No. 47.) And for money so misapplied, and enormous sums otherwise voted by Parliament to waste through that misappliance, the nation still pays, and is intended to continue to pay, annual interest, every cycle of thirty-four years fulfilling a payment equal even to the full *nominal* principal; but every cycle of eighteen or twenty years fulfilling the payment of the principal *actually* paid by the original lenders. Thus, in 1850, that loan which corrupted the "representatives of the people to carry on the war," in 1781, has been at least three times paid, with a half to spare for a fourth full payment in 1860. In a thousand years hence it will have been, at that rate, paid fifty-three times in full.

"Much of the loan (of 1781) was subscribed for in the name of clerks in different banking-houses, some of them being set down for £25,000 each, the better to screen the parties really interested. About this time two measures were introduced to curtail this ministerial means of corruption; one to exclude Government contractors, the other revenue officers, from seats in Parliament, but they were defeated in the usual way. Towards the end of the debate a body of members poured in from the coffee-rooms, called for a division, and gave to the minister his customary triumph, a large majority."—*Parliamentary History*.

Such was the morality of Parliament when Pitt became Minister in 1783. He had to deal with a corrupt Legislature on one side, and a deep-rooted, selfish prejudice in the nation on the other side. Let us glance at the latter.

Dr. Adam Smith's "Inquiry into the Wealth of Nations" was published, and by that time read by inquiring men; attentively by Mr. Pitt. He engaged in a legislative struggle (which continued until the French revolution and the subsequent war led him into an opposite course) to break down the mercantile and manufacturing monopolies. Mr. Burke had, on several occasions during the period of the American war, brought the unfair treatment of Ireland before Parliament. Ireland was prohibited from trading with the colonies, or any foreign country; and her manufactures and agricultural products were prevented from reaching England, either by high duties or positive prohibition. An alarm of French invasion led to the formation of a large body of Irish volunteers in 1778, who, being armed, raised the cry of free-trade, which Lord North conceded so far as the colonies and foreign trade were concerned. Now, that Mr. Pitt was minister and a disciple of Adam Smith, he sought to remove all obstacles to a complete free-trade between Ireland and Britain. This was vehemently opposed by the Rockingham Whigs, backed by the entire manufacturing population of England, and by nearly every municipal corporation in England and Scotland. Pitt was burned in effigy in Manchester; a petition signed by 150,000 persons was sent from Lancashire against free-trade with Ireland; counsel were paid by public subscription to oppose Pitt's resolutions at the bar of the House of Commons, and numerous witnesses were examined, all of whom saw the ruin of English trade in the measures which proposed a free commerce with Ireland. Two sessions were wasted in this way. At last, 1786, the measures passed the English Parliament, but in so mutilated a form that they were rejected by the Irish Parliament, and so fell to the ground, the trade remaining as before.

Next year, 1787, Mr. Pitt determined to try the principle of commercial freedom in another direction. He had obtained a treaty with France, subject to the ratification of Parliament, relaxing the prohibitions which separated the two countries. Once more the Whig opposition arose to vehemence, backed by the manufacturing population. Mr. Fox urged that France was the rival and the natural enemy of England. This line of argument was adopted by the opposition generally. Mr. Pitt was reproached with having deserted from and disgraced the anti-French principles which had made his father so popular, and was accused of being un-English and unpatriotic in seeking to introduce French goods and

promote French interests in this country. The treaty was ratified; but the popular dislike to any relaxation of our commercial or navigation code with foreign countries was so inflamed by the Whig leaders, that Pitt was deterred from carrying his policy to the extent of his convictions. The selfish mercantile sentiment that France was the natural enemy of England, remained in full force in the English mind when the revolution of 1792 occurred.

For nearly a century the mercantile and moneyed men had been generally Whigs. Now, when the war with France broke out, the selfish anti-Gallicanism taught by the Whigs being yet fresh, contracts for new loans and for warlike stores being profusely offered to the money-dealing and mercantile classes, together with the dread of the French revolutionary confiscation of property, most of the Whigs became Tories, and vehemently cried for war, loans, taxes, anything; debt to any amount, so as there was war. The working people, who had generally been Tories from the time the name was known, were tumultuously vehement in their Church-and-Kingism at this period. For which reasons the war was popular.

The following statement exhibits the sums raised by taxes and loans from the commencement of the war in 1793 to the peace of Amiens, 1802:—

Years.	By Taxes.	By Loans.
1793	£17,170,400	£4,500,000
1794	17,308,811	11,000,000
1795	17,858,454	18,000,000
1796	18,737,760	25,500,000
1797	20,654,650	32,500,000
1798	30,202,915	17,000,000
1799	35,229,968	18,500,000
1800	33,896,464	20,500,000
1801	35,415,096	28,000,000
1802	37,240,213	25,000,000
	£263,714,731	£200,500,000

The total sum raised by taxes and loans was £464,214,731. Deducting from this sum the probable charge if peace had been preserved, say £18,000,000 per annum, it shows the war expenditure, up to the peace of Amiens, to have amounted to £284,214,731, being an average yearly expenditure on account of hostilities of £28,421,473.—*Dr. Hamilton's Treatise on the National Debt.*

The foregoing is from a work held to be an authority. But the produce of the taxes for the year ending 5th January, 1792, was £14,816,420 5s. 9½d., which was the last financial year of peace; and there is no reason to suppose that had peace continued, the expenditure would have exceeded the yearly income, or that the income would have materially exceeded this annual amount.

In this period the chief financial measures of Mr. Pitt, besides borrowing and imposing new taxes, were the dissipation of the sinking fund (see sections XI. and XII.); the sale of the land-tax in 1798 (see section XV.; also, the tract on the Burdens on Land); the Property-tax, and the Bank Restriction Act; both of which the Association will notice presently.

SECTION XVIII.

FINANCIAL LEGISLATION DURING THE LAST WAR—ITS COST—ON WHOM LEVIED—ALARM LEST IT SHOULD BE PAID OFF SOON AND SUDDENLY.

Although the Parliament voted new taxes to any amount desired by Mr. Pitt, after the rupture with France in 1793; although the ruling majority authorised the spoliation of the sinking fund, the contract of fresh loans on any terms to any amount, (in their dread of "French principles," and subsequently of French invasion), they said *nay*, in 1796, when it was proposed that their landed property should pay legacy and probate duty. They readily passed an act imposing those duties on personal property; but not all their patriotism, and the freedom with which they voted new taxes and loans, which had earned for the House the appellation of the Patriot Parliament, could induce them to consent to tax their own estates by a probate duty. This has been before shown in section 28 of the tracts on indirect taxation, entitled,

“Taxes on Landed Property;” and it is on this legislative evasion that Mr. M’Culloch says, “It reflects but little credit on the Parliament of that day, that while the bill for assessing personal property was passed with but little difficulty, the bill for assessing the same duties on real property encountered a violent opposition, and had ultimately to be abandoned.”—*Treatise on Taxation*, p. 296.

The year following, namely, 1797, Mr. Pitt and the Parliament trebled the assessed taxes: but the augmentation of duty failed to realise the sum expected. Accordingly, in 1798, he had recourse to an income-tax. It was imposed as follows:—All incomes of less than £60 a year were exempted from assessment. An income of from £60 to £65 was taxed 1-120th part; and the rate of duty increased through a variety of gradations until the income reached £200 or upwards, when it amounted to a tenth part, which was its utmost limit; a variety of deductions being made on a count of children, &c. This tax was repealed in 1802, after the peace of Amiens, having produced at an average about five millions and a-half annually.

In 1803 the Income-tax was again revived, but with the name of Property-tax. The assessment began as before on incomes as low as £60 a year, at which it amounted to five per cent., which was its highest rate. An addition was made to this tax in 1805; and in 1806, during the short-lived administration of the Whigs, when Lord Henry Petty (present Marquis of Lansdowne) was Chancellor of the Exchequer, the assessment was raised to ten per cent. on all incomes, however small, arising from land or capital. Professional incomes under £50 were exempted from the tax; and incomes of that sort exceeding £50 and under £150—the limit at which they became subject to the full assessment of ten per cent.—were allowed deductions varying inversely as their magnitude. This tax was repealed in 1816, in compliance with an irresistible “pressure from without.”

Besides the imposition of the Income-tax in 1798, that year became remarkable for its loan of £17,000,000, for which an actual debt of £34,000,000 was created, the three per cent. stock being sold at fifty. Also, it was the year of that mess of postage already referred to by the Association, when the national right to the land-tax was offered for sale, and the proceeds at once swallowed up in the ravenous war expenditure, so far as it was purchased.

It was stated by Sir Henry Parnell (late Lord Congleton), in his treatise on “Financial Reform” (third edition, 1831)—he grounding his statement on the calculations of Dr. Hamilton—that the debt created between 1775 and 1816 (periods of our wars with America and France) exceeded the actual money borrowed by £171,234,449. Yet, enormous as this loss seems to be, it only includes the excess of debt created without value received, not the interest paid upon it in those years—interest which is still paid. Nor does it include various premiums and bonuses added to the contractor’s profit and not funded, such as lottery tickets. There is considerable difficulty in giving a clear view of the loans and taxes during the war period, and for several years after the peace of 1815. Scarcely two writers on finance have arrived at the same estimate. Mr. Porter’s tables are so far at variance (“Progress of the Nation”) with those of Mr. M’Culloch (“Treatise on Taxation”), with those of Sir Henry Parnell (“Financial Reform”), with those of Dr. Hamilton (“Inquiry into the National Debt”), with those of Mr. Wade (“Chronological History”), and with the writers in several of the cyclopædias—and nearly all these differ so materially from one another, and from the Parliamentary papers, Mr. M’Culloch differing from himself (stating in his Treatise that he had mis-estimated and mis-stated the cost of the war, and the actual debt, in the *Edinburgh Review*)—that it would be hazardous to assert any given sum as the true cost of the French war, or of the funding system from 1793 to 1815, and two or three years after.

Mr. Porter states the debt to have been, in 1802, at the peace of Amiens, £637,000,000, and on the 5th January, 1816, £885,186,323. This statement is made in consecutive sentences (p. 482), without explanation. Yet, by Dr. Hamilton’s tables, founded on Parliamentary papers, and agreeing very nearly with Mr. Porter in 1802, it appears that the loans between that year and 1815 amounted to £388,766,925, which made a total of £1,025,786,925. Mr. Wade gives the increase of the debt between 1802 and 1815 to have been such, that (agreeing nearly with Mr. Porter’s figures of 1802) it made a total of £1,121,407,936. Mr. M’Culloch’s table of loans shows the increase between 1802 and 1815 to have been such as, added to the debt existing before the war, made a total of “stocks created” up to

1815, of £1,136,470,552. Mr. M'Culloch states ("Treatise on Taxation," page 445), the "total sum raised by loans from 1793 to 1816, both inclusive," was £879,289,943. Mr. Porter gives the whole debt in 1816 (including the £268,000,000, which he says was the debt at the commencement of the war in 1793), as we have just seen, at £885,186,323.

The solution of these discrepancies is to be traced, but it is nowhere very clearly shown, to the sinking fund operations. The whole sum borrowed on account of the sinking fund during the war was, according to Mr. M'Culloch, £302,911,955. This money was borrowed from time to time, to be used, as fallaciously supposed, at compound interest, for the repayment of other loans. But it had no such compound power; on the contrary, much of it—how much no financier can now ascertain—was lost in the jugglery of conversion. It is not alleged that the money was embezzled or misappropriated; but it has been alleged by Dr. Bowring, Mr. Hume, and others, that the mode of keeping the public accounts was so defective, that no subsequent investigation could approach the truth nearer than upon a margin of from sixty to one hundred millions sterling!—that is, the country may have lost nothing by the sinking fund transactions, or, for aught the accounts can show, it may have lost from sixty to one hundred millions.

Another cause of mystification relating to the loans was that of issuing Exchequer bills in one year, and funding their amount as perpetual debt in some other year. Hence the discrepancy between writers who quote their amount at the period of issue, and others who quote it only from the period of being funded. A mistake which all seem to have fallen into, or overlooked the natural occurrence of, is that of not estimating the collection of the enormously-increased taxes during the war period, when they estimate the cost of the war.

Mr. M'Culloch estimates that the loss by funding during the war was fifty-two millions, or nearly, over the sum which the war would have cost the country, had the supplies been raised at once from current taxation. But this is probably too favourable a view; because he makes an allowance at the rate of five per cent. compound interest to the nation on all the taxes which he supposes it did not pay, but must have paid had the whole expenditure fallen upon current revenue. He thinks the money not paid in taxes remained as productive capital, to accumulate at compound interest in the country. This is doubtful. The war-taxes were wrung from hungry stomachs and bare backs, as well as from productive capital. Grant that the loans eased the immediate pressure of taxes, the relief was to eat a few mouthfuls more of food, or wear a better shirt, rather than to invest the supposed saving in productiveness at a compound interest. But it cannot be granted that the loans eased the immediate pressure of taxes. The loans had the direct effect of inducing the nation to pay an amount of taxes which it never would have paid, but through the feverish excitement which industry derived, for the brief time, from extravagant expenditure—but for the delusion which pervaded society, that any amount of money borrowed by the state could discharge itself, and be a blessing to the taxpayers, by its compound interest; so that, having those facts and errors in view, it cannot be conceded that Mr. M'Culloch's estimate of fifty-two millions lost by premiums and the like, through the funding system, is all the loss. He says—

"The principle on which the calculations are bottomed is most favourable for the funding system; and yet they show, or rather demonstrate, that, exclusive of its other mischievous influences—of the profusion and contempt of economy which are its immediate, and the interminable and heavy taxes which are its ultimate, results—it occasioned during the late war, by means of premiums on loans and otherwise, a special sacrifice of about fifty-two millions sterling. We have already stated, that it is more than doubtful whether funding could have been dispensed with during the early part of the war; but no doubt the amount of revenue from 1792 to 1803 might have been most materially augmented by resorting to house and income taxes."—*Treatise on Taxation*, p. 425.

From these and previously stated reasons, it appears that the proper estimate of the war costs is, not to take the debt as it stands in Mr. Porter's tables for 1816, to be added to the war taxes, but rather to add all the taxes and loans together, as raised from 1793 to end of the war, and deduct from the sum the probable peace establishment. Even then the costs of collecting the taxes will not be included, but the costs of managing the funding system will be.

In last section (17), it was shown from the parliamentary papers, arranged by Mr. Wade, that the loans and taxes from 1793 to 1802 amounted to £464,214,731. Following the same figures to the end of 1815, the total is found to be £1,624,047,986. If we deduct eighteen millions per annum for twenty-three years for a probable peace establishment, there would remain, as the *probable cost of the French revolutionary war*, £1,210,047,986.

From the returns of the Board of Agriculture, it appears that the average rent of land in England was, per hundred acres, in 1790, £88 6s. 3½d.; in 1803, £121 2s. 7½d.; and in 1813, £161 12s. 7½d. But this was not the rental upon which property-tax was levied; it was never admitted to have increased so much. This was the estimated increase of rental to justify the imposition of a Corn-law in 1814, which should prohibit the importation of wheat while the price in the home market was under 87s. per quarter. This bill was rejected by a majority of the House of Commons; but next session, 1815, the celebrated Corn-law was enacted, which prohibited importation while the price was under 80s. per quarter.

But there is another mode of showing how heavily the war taxes fell on persons and capital productively employed, and how lightly on land. In 1815 the public income was as follows:—

GREAT BRITAIN, EXCLUSIVE OF IRELAND.		
Excise		£23,370,055
Customs		11,807,323
War Excise		6,737,029
War Customs		2,841,406
Stamps		6,492,805
Land-tax	(about)	1,000,000
Assessed Taxes		6,911,938
Post-office		2,349,519
Pensions, &c. (deductions from)		32,057
Hackney Coaches and Hawkers		50,875
Hereditary Revenues—that precious exchange for which £900,000 per annum was given to George III. as a civil list, and which Sir R. Inglis said, in 1850, had been so good an exchange for the nation, so disadvantageous to the Crown		173,367
Property and Income-tax		15,227,814
Lottery		327,907
Miscellaneous		260,173
		<hr/>
Gross receipt		77,582,268
Drawbacks and balances		6,429,126
		<hr/>

Actual receipts into the Treasury

£71,153,142
The costs of collection are not included in the above; they amounted at that period to little less than ten millions of actual expenditure in money, which made the gross taxation about eighty-one millions.

According to the Board of Agriculture, land rental had nearly doubled between 1790 and 1813; it had fully doubled by 1815, the year now under notice.

A statement of the Irish revenue would only add to the incumbrance of figures; it is enough to say that it was levied in a similar disproportion upon consumers.

Commentary is not exhausted; but the Association think it unnecessary to do more than make a few general remarks. First, it is obvious that with an increasing expenditure in taxes and food during the war period, from 1792 to 1815, there must have been some countervailing circumstances of an extraordinary kind which sustained the national industry under that depression. There were such. The mechanical inventions of that period, and the previous twenty years, had added enormously to the productiveness of the nation, and by (relatively to food) cheapening and extending the supply of other necessaries of domestic comfort, made the payment of enormous taxes possible, which otherwise would have been impossible. Also, the high price of food was in part balanced by the poverty and suffering of the general population. They did not pay three times as much for bread in 1812 as they did before the war, though bread was at three times the price. They consumed less, used coarser food, and suffered more hunger.

As to the war, and the policy which involved the nation in such delirious improvidence, it seems to have had three distinct periods, each with its own distinct character. First, the period when our object was to suppress a certain set of

political opinions abroad ; second, the period when we were in danger of invasion from France in retaliation for our war upon French opinions ; and third, the period of personal enmity to Napoleon, and rivalry with him in aggressing upon the rights of nations. The latter period has been thus depicted:—

“ Despairing of mastering us by the sword, the French emperor resolved to dry up our pecuniary resources, which he affirmed had been the bribe and *pabulum* of all the coalitions that had been formed against him. Dictator of continental Europe, he sought to exclude British commerce in every port and place to which his power or influence extended. He began with his Berlin decree, issued in November, 1806 ; it was followed by others in 1807, dated from Milan. Orders in council were promulgated by the English in retaliation, and the effect of both was the destruction of neutral commerce. The war had assumed such a character of bitterness, that the rights of nations were not respected by either belligerent, nor even by powers at peace. Russia unjustly wrested Finland from Sweden. England began her infractions of national law by a piratical attack on four Spanish ships of war in 1804, and crowned her turpitude, in 1809, by the bombardment of Copenhagen and the seizure of the Danish fleet. Justice was outraged on all sides ; the peaceful pursuits of commerce everywhere intercepted ; and the enjoyments that result from the reciprocal intercourse of nations abridged, merely because of the rancorous hatred of two governments : for the war had become entirely objectless—neither party had power to injure the other ; England was indisputable master at sea, and France on land.”—(*Year 1807 ; Wade's Chronological History.*) The orders in council also involved Britain in a war with the United States of America, alike discreditable in object, conduct, and result.

In sections 11 and 12 of the present series, on the Sinking Fund, it was stated that the Government in 1807 (that which issued the suicidal orders in council), proposed a financial measure in which they were careful to provide against a terrible disaster which they feared would occur between 1834 and 1844 ; a year or two sooner, perhaps, but certainly not later than 1844 ; namely, the complete payment of the national debt, and the consequent ruin of national industry. This was to be accomplished by the accumulation of the Sinking Fund at compound interest. As there are probably many persons so incredulous as to doubt that in 1807 and 1813 the Chancellor of the Exchequer, who knew not how to raise money sufficient for the wants of the current year, troubled himself and the House of Commons to enact a precautionary measure to avert the national ruin in 1844, which was to follow the payment of the national debt, a quotation from the speech of Lord Henry Petty (now Marquis of Lansdowne) may be here given ; it is taken from the “*Essay on the Sinking Fund,*” by David Ricardo, which, with his exposure of the incredible absurdity, may be seen in his collected works, or in the “*Encyclopædia Britannica.*” The noble lord said : “ I need hardly press upon the consideration of the committee all the evils likely to result from allowing the sinking fund to accumulate without any limit ; for the nation would be exposed by that accumulation to the mischief of having a large portion of capital taken at once out of the market, without any adequate means of applying it, which would, of course, be deprived of its value.

“ This evil must appear so serious to any man who contemplates its character, that I have no doubt it will be felt, however paradoxical it may seem, that the redemption of the whole national debt at once would be productive of something like national bankruptcy ; for the capital would be equivalent almost to nothing, while the interest before derived from it would be altogether extinguished. The other evils which would arise from, and which must serve to demonstrate the mischievous consequence of a prompt discharge of the national debt, I will show presently.

“ Different arrangements were adopted in the further provisions made on the subject of the sinking fund in 1792 and 1802. By the first, the sinking fund of one per cent., which was thenceforward to be provided for every new loan, *was made to accumulate at compound interest, until the whole of the debt created by such new loan should be extinguished.* And by the second arrangement all the various sinking funds existing in 1802 were consolidated ; and the whole were appropriated to *accumulate at compound interest until the discharge of the whole of the debt also existing in 1802 :* but the debt created since 1802, amounting to about one hundred millions nominal capital, is still left subject to the act of 1792, which provides for

each separate loan a sinking fund of only one per cent. on the nominal capital. The plan of 1802, ingrafted on the former acts of 1786 (see section XI. of present series) and 1792, provided for the still more speedy extinction of the debt to which it applied; but it would postpone all relief from the public burdens to a very distant period, computed in 1802 to be from 1834 to 1844: and it would throw such large and disproportionate sums into the money market in the latter years of its operation as might produce a very dangerous depreciation of the value of money. Many inconveniences might also arise from the sudden stop which would be put to the application of those sums when the whole debt should have been redeemed, and from the no less sudden change in the price of all commodities which must follow from taking off at one and the same moment taxes to an extent probably then much exceeding thirty millions. The fate of merchants, manufacturers, mechanics, and every description of dealers, in such an event must be contemplated by every thinking man with alarm. And this applies to my observation respecting a national bankruptcy; for should the national debt be discharged, and such a weight of taxation taken off at once, all the goods remaining on hand would be, comparatively speaking, of no value to the holders, because, having been purchased or manufactured while such taxation prevailed, they must be undersold by all those who might manufacture the same kind of goods after such taxation had ceased. These objections were foreseen, and to a certain degree acknowledged, at the time when the act of 1802 was passed; and it was then answered that *whenever the danger approached*, it might be obviated by subsequent arrangements."

Mr. Ricardo here remarks:—"A great many of these objections appear to us chimerical; but, if well founded, we agree with the latter part of the extract—'*whenever the danger approached, it might be obviated by subsequent arrangements.*' It was not necessary to legislate in 1807, or in 1813, for a danger which could not happen till between 1834 and 1844. It was not necessary to provide against the evils which would arise from a plethora of wealth at a remote period, when our real difficulty was how to supply our immediate and pressing wants."—*Works of David Ricardo*, page 532.

The Association, like Mr. Ricardo, do not think it necessary to controvert the prophecy of the disasters which were to follow the sudden payment of the national debt. They refer to this passage of financial history only to show, that Pitt, in 1786 and 1792; Addington, in 1802; Lansdowne, in 1807; and Vansittart, in 1813—that, Whigs, Tories, or hybrids, all legislated for war, and contracted the overwhelming debt to carry on the war, under an error which, were a tradesman to commit before his bankruptcy, would adjourn his certificate *sine die*; which, were a schoolboy to commit, would in those days have earned for him the birch rod, and would still subject him to the fool's cap—namely, in making out an account, to subtract a part of the principal, and, adding it to the remainder, call it compound interest!

And yet those statesmen and their parties lived, and still live, in the dread of allowing any order of men but their own to have a hand in the national government, lest ignorance should lead to erroneous legislation!

SECTION XIX.

The Association have traced the taxes, the debt, and financial policy, up to the close of the war in 1815; at which period the debt stood thus:—Principal, £1,121,407,936; interest, £43,984,579. Mr. Porter, Secretary to the Board of Trade, referring to that period, to the expenditure of the enormous taxation, and the incurrence of that enormous debt, writes:—

"It seems hardly possible to prevent the inquiry arising in the mind—What must have been the condition of England at this time if the wars which caused this lavish, this unexampled expenditure, could have been avoided? A small part only of that expenditure would have sufficed to pay off the whole of the national burdens as they stood in 1793; we should then assuredly have heard nothing of the restrictions upon various branches of trade for which those burdens were so long made the groundless pretext, and an amount of prosperity would have been experienced that must have had the happiest effects upon the moral and physical condition of England first, and, through England, upon the whole European family."—*Progress of the Nation*, p. 602.

Of the period from 1815 to 1820, Mr. Wade writes :—“The period from the peace to the King’s death was one of fiscal difficulty, and the impatience of the people to be relieved of their most irksome burdens, combined with the stagnation of trade, made it impossible for ministers to act on a general system of finance. The course contemplated by Government at the close of the war was to keep an efficient sinking fund, and to continue during several years the property-tax on the reduced scale of five per cent. This plan fell to the ground on the rejection of that tax by the House of Commons, March 19th, 1816, a rejection altogether unexpected by ministers, who were so chagrined at the eagerness of the rich to throw off their share of the war taxes, that they voluntarily, and as an act of justice to the poor, gave up the war duty on malt. Thus the public was at once relieved to the amount of about seventeen millions per annum. * * *

“In consequence of the system forced on Government, no progress was made in the reduction of the public debt of the kingdom during the first five years of the peace. On the contrary, it greatly increased, and in January, 1819, the annual interest of the debt exceeded by £5,202,771 the interest in 1815. To continue augmenting the debt in peace as well as in war could only have one inevitable issue. But the general eagerness for relief left no alternative to Government. In 1819, however, they made an effort to bring the income nearer to the expenditure. In that year, having called on Parliament to give efficiency to the sinking fund, they succeeded in a measure little expected in the midst of peace, the imposition of new taxes to the amount of three millions. These were imposed chiefly on malt, spirits, and tobacco, and were paid with reluctance during the next two years of doubt and embarrassment. It was not till the following reign that financial prospects brightened, and this was brought about by the restoration of tranquillity among the working classes, the reduction of the five per cents., and a transfer of a portion of the half-pay and pension list to the next generation.”—*Chronological History.*

The fiscal operations are thus related, in outline, during the reign of George IV. from 1820 to 1830.

“The present reign was fertile in expedients, often more ingenious than solid, for bettering the national finances. Little can be gained by mere dexterity in finance; all attempts at legerdemain are futile; and a nation, like an individual, can only become rich either by an increase of income or reduction of expenditure. The most novel scheme of the period, the conversion in 1822 of the military and naval half-pay and pensions, and civil superannuations, into a fixed annuity for forty-five years, was perfectly illusive, as to absolute gain to the nation. It was nothing more than the continuance under a new form of the old system of loans, of anticipating distant resources, and throwing the burden of the present on the next generation. The reduction of the navy five per cents. to four, and, two years after, the reduction of the four per cents. to three-and-a-half, effected a material saving to the public at the expense of the holders of this description of stock. Important savings were also made by the abolition of offices, and the reduction of establishments. From the termination of the war up to 1823, the taxes repealed amounted to £25,456,202, and the new taxes imposed to £3,200,000. In 1824, taxes were repealed to the amount of £1,727,000; and, in 1825, to the amount of £3,146,000. This large remission of taxes was, however, more nominal than real, owing to the rise in the value of money; and, as a source of relief to the community, was more than counterbalanced by the general fall in prices, wages, rents, and profits.”—*Ibid.*

The leading characteristic in the financial policy of that period was the nominal reduction of burdens, by reducing the taxes of the present at the expense of the future. Nor were the taxes much reduced in relation to any former time of peace. Here are the receipts of revenue and loans :—

Year 1816.	Taxes	£62,635,711
	Loans	18,890,771
1817.	Taxes	52,372,403
	Loans	17,325,061
1818.	Taxes	53,959,218
	Loans	33,330,808
1819.	Taxes	53,291,508
	Loans	23,255,859
1820.	Taxes	55,053,693
	Loans	28,127,480
1821.	Taxes	59,791,078
	Loans	13,030,784

1822.	Taxes	£59,219,601
	Loans	15,763,217
1823.	Taxes	57,872,430
	Loans	6,925,000
1824.	Taxes	59,388,111
	Loans	9,798,100
1825.	Taxes	57,640,509
	Loans	4,507,500
1826.	Taxes	55,186,369
	Loans	12,234,350
1827.	Taxes	55,255,408
	Loans	7,926,738
1828.	Taxes	56,737,175
	Loans	3,082,500
1829.	Taxes	55,283,219
	Loans	3,659,058
1830.	Taxes	54,323,598
	Loans	2,776,215

The Irish revenue is not included in the foregoing. It varied from three millions in 1800 to between four and five millions in different years, and was amalgamated with that of Britain after 1820.

Mr. Porter, writing of this period (1815-30), and of its financial changes (change-ringing is the fit term), joins with others in condemning the ignorance of the ministers of finance, also their obstinacy; for he shows that, after their errors had been exposed and proved, they continued for years to dissipate the public money rather than confess their error. It was not until 1828, when Mr. Goulburn became Chancellor of the Exchequer, that any attempt was made to correct the blundering calculations adopted by the Government of 1808 relative to terminable annuities, though the errors had been pointed out frequently. Nor was it until that Chancellor of the Exchequer came into office that the sinking fund was legislatively discovered and admitted to be a delusion; Mr. Goulburn being the first finance minister to admit that such a fund could not accumulate at compound interest, and that therefore the fund was powerless to pay off the national debt. And here it may be remarked, parenthetically, that public opinion has done far less than justice to Mr. Goulburn. The other financial reforms of 1828-29-30, when he held office under the Duke of Wellington, were (besides the extinction of the sinking fund delusion) genuine reductions of expenditure, so far as they went; so far, indeed, as he was by his imperious chief permitted to go. Subsequently we have seen him preferred to the ministry of the Exchequer by Sir Robert Peel, and though acting subordinately in the financial legislation initiated by the latter, it is generally understood by those best acquainted with the private opinions of the two ministers, that Mr. Goulburn was far in advance of his Premier, and (apart from the Toryism of his general politics) is in advance of any other financier now living, who has at any time held office, so far as regards soundness of judgment, and the clearness with which he perceived that all financial legislation must sooner or later end in the extinction of indirect taxes, the complete freedom of commerce, and the simplification of the revenue accounts. But be his opinions of the future what they may, he has been associated with financial reforms of a genuine kind more than any other statesman. It is to him the nation owes, legislatively, its relief from the most mischievous of its fiscal blunders—the sinking fund. Mr. Porter shows that, apart from its influence on the debt (leading to the wildest extravagance through the semblance of an easy and rapid repayment), the fund itself was maintained, from 1793, to the abandonment of payments made to it out of current revenue in 1829, at a cost of about forty-six millions.

In connection with this, Mr. Porter also shows that while the loans were contracted at a wasteful rate of discount (£57 17s. 6d. from 1793 to 1802, and £61 17s. 6d. from 1802 to 1815, being the actual money received for each £100 of stock, or debt created), in order that the low interest of three per cent. only might be paid by the generations then living, the financiers of that period and of the next ten years adopted another blunder, which carried them, and wasted the revenue, in a direction entirely opposite. They began to convert perpetual loans into terminable annuities, paying annually for a limited period, on lives and years, sums greatly more than the annual value of the principal to be discharged. It was truly burning the candle at both ends; for having borrowed on the most disadvantageous terms, they were paying off debt on the most

wasteful conditions. Bankers and money-dealers discovered the mistake readily enough, and purchased those annuities at a premium to the annuitants. Mr. Porter says of the two methods of dealing with the national debt—namely, the method of reducing it to a low rate of interest, to relieve the tax-payers of a living generation at the expense of posterity, and that of increasing the interest in the shape of annuities to put the burden on the living, and relieve posterity, that—

“It is not necessary to inquire which of those two modes of proceeding is preferable. Under different circumstances, either of them might be wise or prudent; but it is quite impossible that at the same time, and, consequently, under the same circumstances, both could be either wise or prudent; and the Minister and Legislature by whom the plans were proposed and sanctioned must be allowed to have stultified themselves by the operations. Of the two courses, that is assuredly the most generous under which the parties by whom it is adopted subject themselves to additional burdens in order to lighten the load for their successors; and, indeed, it would seem no more than an act of justice on the part of those by whom the debt was contracted to adopt every means fairly within their power for its extinction.

“It is singular that, with so much experience and so much of scientific acquirement that might have been brought to the correct elucidation of this subject, the tables first adopted for the creation of terminable annuities were incorrect to a degree which entailed a heavy loss upon the public. The system was established in 1808, and during the first year of its operation annuities were granted to the amount of £58,506 10s. per annum. Of that amount there continued payable £23,251 per annum at the beginning of 1827, when; to adopt the calculation of the actuary of the national debt, as given in a report to the Chancellor of the Exchequer, the public had already sustained a loss of more than £10,000 by the transactions, besides having the above annual sum of £23,251 still to pay for an indefinite term. In this report of Mr. Finlaison, he said that the loss to the public through miscalculation in these tables was then (April, 1827) proceeding at the rate of £8,000 per week, and during the three preceding months had exceeded £95,000. The discovery of this blunder had been made and pressed upon the attention of the financial minister (Vansittart) as early as 1819, but no active steps were taken to remedy it until 1828, and even then the rates at which annuities were granted upon the lives of aged persons were, after a time, found to be so unduly profitable to the purchasers, that the Government was again obliged to interfere, and to limit the ages upon which life annuities could be obtained. It is quite impossible that any similar series of blunders could have been committed by any private person or association of individuals, whose vigilance would have been sufficiently preserved by their private interest; and it is disgraceful that the Government, which could at all times command the assistance of the most accomplished actuaries, should have fallen into them. It is yet more disgraceful that, after the evil had been discovered and pressed upon its notice, so many years were suffered to elapse before any step was taken to put a stop to the waste of public money.”—*Progress of the Nation*, p. 488.

Mr. Porter follows this by the remark that “It would require a voluminous account to explain all the financial operations of the Government during the period embraced in the foregoing statements.” It is, therefore, beyond the scope of the present papers of the Financial Association to give a connected narrative of all the financial changes which occurred between the close of the war in 1815 and the reform of the tariff in 1842 and 1846. The Bank Restriction Act of 1797, the bullion controversy of 1810-12, and return to cash payments in 1819, have been passed over, not that they were inconsequential in financial effects, but that they involve other questions than taxation, which the Association prefer to leave to the societies formed for their discussion. Yet, though every fiscal circumstance cannot be related, they will notice the leading characteristics of the national finances from the accession of the Whigs to office in 1830 down to the close of 1850, in one other section.

SECTION XX.

FROM THE ACCESSION OF THE WHIGS IN 1830 TO THEIR LOSS OF OFFICE IN 1841.—FINANCIAL SCHEME OF SIR ROBERT PEEL, 1842.

The new Parliament, elected on the accession of William IV., met November 2, 1830. The demand for an extensive measure of parliamentary and financial reform had become universal; the royal speech made no allusion to either. In the debate on the address,

the Duke of Wellington, then Prime Minister, boldly avowed that no reform was required, and all attempts thereat would be resisted. An historian, writing of the year 1830, cites certain reasons why some measure of parliamentary reform had not been carried long before. It is not improbable but some such circumstance may, once more, give the Government an excuse for not effecting real reforms.

"No problem in Euclid," he says, "had been better demonstrated than the iniquities of Parliamentary elections and representation. They had ceased to be reasoned upon, and their defence had become a mere thesis for wits and rhetoricians to display their ingenious sophistry. Just half a century had elapsed since reform was on the point of being achieved by a national movement, arrested only by the "no Popery" riots of Lord George Gordon. It was again postponed till the tempest of the French revolution had swept by, &c."—*Chronological History*.

On the 12th November, 1830, when the Chancellor of the Exchequer had submitted the new civil list to the House of Commons, Sir Henry Parnell, complaining of its want of economy and the confusion of its details, gave notice of a motion that it be referred to a select committee. This was moved for and debated on the 15th, and was carried against ministers by 233 to 204, upon which they resigned. The Whigs, with Earl Grey at their head, took office, pledged to reform, retrenchment, and peace.

Mr. Brougham, at his recent election for Yorkshire, had given a good reason why there should be peace. Referring to the revolutions of that year in France and Belgium, he said, "England is bound to keep the peace; she is bound in eight hundred millions not to break it." As to retrenchment, the public lost sight of it for the next two or three years, in the feverish excitement of the contests for Parliamentary reform and the abolition of slavery. It was not until the vote of twenty millions was proposed as a compensation to the West India planters, in 1833, that public attention was re-awakened to questions of finance. It is true there had been some lopping of salaries and pensions in the same direction as the former ministry had gone, but to an inconsiderable extent. Mr. Goulburn had contemplated an extensive change in the system of finance, for which purpose he advised the appointment of a commission, which included Dr. Bowring (an eminent financier, radically opposed to Mr. Goulburn in politics), to inquire into and report upon the French, Dutch, and other continental systems of public accountantship. But the Duke of Wellington, on hearing that his Chancellor of the Exchequer had selected Dr. Bowring for that purpose, peremptorily ordered that he be excluded from the commission, which accordingly was done; after the learned gentleman had actually parted with the *Westminster Review*, and given up all other employments, in order to act upon it.—*Somerville's Biographic History of Free Trade and the Pioneers of Commerce and Civilisation*.

Lord Althorp, the Whig successor of Mr. Goulburn at the Exchequer, was not prepared with any measure of financial reform when the time came (session of 1834) that the country gave symptoms of impatience. He was an amiable man, whose good nature served the Government well in the management of the House of Commons, in which he was ministerial leader; but he was one of the most unfit men to conceive, propound, and carry any great financial plan differing from that in existence. Harriet Martineau gives an account of Lord Althorp's troubles at the Exchequer-office in 1833 and 1834 as follows:—

"In answer to the universal complaints of the injury and inconvenience of our methods of taxation, by which industry was fettered, food made dear, knowledge taxed, incomes rendered uncertain, and tempers tried past endurance, the Government thought it enough to say that these things could not be remedied without making 'an extensive change in the whole financial system.' But this extensive change in the financial system of the country was one of the promises of the Reform ministry—one of the labours to which a reformed Parliament was pledged. It was told in the House how astonished an eminent foreigner, M. Simond, was at seeing an exciseman in a glass-house, quietly permitted to interfere with the process of manufacture, and how earnestly M. Simond inquired whether the spirit of the English people could really patiently endure such an intrusion. It was asked why the English people should endure such a method of taxation—why there should not be a complete revision and reform of our financial system—why there had not been already such a reform—why a year had been lost? The discussion of the matter, the pressing of these questions in the House, and through the newspapers in the country, became very urgent during the session of 1833; and Lord Althorp had nothing as yet to reply, but that he would take off a little here, and lay on a little there, and that to do more would be 'to make an extensive change in the whole financial system.' Certain

classes of taxpayers, therefore, took the matter into their own hands; a prodigious outcry was raised against the house and window taxes.

"These two taxes were always mentioned together by those who wished to get rid of them; but many thought, and among them the Chancellor of the Exchequer, that while the window-tax was one of the worst on the list, the house-duty was one of the best. The window-tax is a duty upon fresh air, sunshine, and health; the house-duty had the merits of being a direct tax, and of falling on a class particularly well able to pay it—that of proprietors of houses. The truth of the matter was, however, that the tenants of London houses, a numerous class of shopkeepers, and others occupying large premises, paid the tax during occupancy, the amount being allowed for in their rent. By obtaining a repeal of the tax they would pocket its amount during the remainder of their lease; and the event proved that this was motive enough for a noisy agitation. It never was general in the country; it did not spread beyond London and two or three of the large towns; but it was too much for the energy of Lord Althorp. Associations were formed to resist the payment of these taxes; no purchasers came forward for goods seized for arrears of those duties. When the levy was made it was necessary to bring out not only a large force of police, but of soldiery; and these were got rid of by terrified lodgers or friends of the recusants handing the money out of upper windows. Long and noisy processions of London tenants—chiefly shopkeepers of the West-end—came to besiege the Treasury chambers; and for some hours it was difficult for horse or foot passengers to make their way between Parliament-street and Charing-cross. Lord Althorp was earnestly assured by those who understood the parties (and he declared that he believed it himself) that the outcry was only tentative, and the discontent partial and selfish; yet he gave way, as will presently be seen. 'What taxes would you reduce, if you were in my place?' he asked of an adviser. 'Certainly not the house-duty—that is nearly the best tax we have,' was the reply. 'It is,' he said; 'it is a good tax; yet you would yield if you had been in Whitehall yesterday, and had heard the clamour that I had to hear.' 'It is only the West-end shopkeepers, who want to pocket a bonus.' 'I know it; but what can I do?' This was early in 1834; and it was only in the preceding May that the Chancellor had obtained the sanction of Parliament to the continuance of the house and window taxes by a majority of 273 to 124. On the 21st of the next February he incurred the banter of Sir Robert Peel by his change of tone on this question. He was rather disposed to remit the house-tax, though he believed it was not the best he could remit. He could have put down the resistance to the tax; yet the resistance was partly the reason of his giving up the point. He would leave the matter open for a certain period, so that each member might present his plan to the House; and if any honourable gentleman should succeed in inducing the House to prefer any other tax for remission, he would not propose to repeal the house-tax. This was a direct invitation to clamour against every tax on the list. 'The noble lord,' said Sir Robert Peel, 'was the last person to object to this gentle violence. There never was so clear an invitation to be ravished. He would for six months give a clear stage and no favour to all those who were anxious to make him change his course.' After this it was no matter of wonder that the house-tax figured at the head of the reductions proposed when the budget was brought forward in the next July. 'The first, and by much the largest,' said Lord Althorp, 'was that reduction he had already proposed of the house-tax, amounting to £1,200,000.' The window-tax was at the time slightly reduced, at a cost of £35,000, the relief being given to small farm-houses."—*History of England during the Peace*, vol. ii., p. 147.

(To be continued.)

FINANCIAL REFORM TRACTS.

No. 33.

HISTORICAL REVIEW OF THE FISCAL SYSTEM.

SECTION XX.

(Continued from No. 32.)

FROM THE ACCESSION OF THE WHIGS IN 1830 TO THEIR LOSS OF OFFICE IN 1841.—FINANCIAL SCHEME OF SIR ROBERT PEEL, 1842.

It will be inferred from the foregoing that this distinguished writer prefers direct to indirect taxation. There is something like a sneer at "noisy agitations" for a repeal of taxes; but this is directed against partial or selfish agitations, which the Association also disapprove of, because the representatives of each particular interest going to the Exchequer-chamber to get their own peculiar tax abolished effects no good, but much harm. They cannot all be satisfied, unless the Chancellor reverts to some other source of revenue: none of them are prepared to assist him in that direction; all they look to is to have their own peculiar tax repealed. It is to provide a substitute, and to inform and educate the public mind to understand it, that this Association have devoted their three years' labour, namely—to substitute direct for indirect taxation, that all interests may be relieved from customs and excise duties, hindrances, and oppressions.

Although no great financial reforms were effected by the Whigs during their tenure of office, from 1830 to 1841, there were some beneficial modifications effected in the customs tariff. There was, also, the great post-office reform. The country owes most of the improvements in the tariff during that period to Mr. Poulett Thomson, who was then at the Board of Trade. That far greater changes for the public good were not effected was the fault of the House of Commons, and the lukewarmness of public opinion. Mr. Thomson's own sentiments are now on record, and are sufficiently interesting to be briefly quoted. Being appointed Governor-General of Canada in 1839, he engaged himself upon a private journal during the Atlantic passage. Under date of 21st September, 1839, he wrote:—

"I have thought a good deal within the last few days of my position; and, upon the whole, I think I have done right, both on public and personal grounds. I have a better chance of settling things in Canada than any one they could have found to go; and if I had not taken the appointment, and as I could not well have got out of the Government, I should have *shared in the disgrace next session.*" This remark might originate in his foreseeing the impossibility of carrying the intended fiscal reforms. He had been offered the Chancellorship of the Exchequer, and, referring to it, said—"At the Exchequer, all that can be hoped is to get through some *bad tax*. There is no chance of carrying the House with one for any great commercial reforms in *timber, corn, sugar, &c.*; party and private interests will prevent it. If

Peel were in he might do this, as he could muzzle or keep away his Tory allies, and we should support him. If he got in, and had courage, what a field for him! but he has not.”—*Memoir of Poulett Thomson in Somerville's Biographic History.* The writer of the work just quoted adds—“This is now a remarkable passage. Mr Thomson had no apparent reason, from anything known of Peel in 1839, to suppose that he would have courage to do as he suggested. But Sir Robert Peel got in, performed those very acts of reform—the Whigs and Free Traders assisting to *defy* his ‘Tory allies,’ for ‘muzzle or keep them away’ he could not.”

The Import Duties Committee of 1840 brought out evidence which emboldened the Whig Ministry to attempt some fiscal reforms in 1841. The memoir just quoted affords some curious information. It says:—

“That delay (the delay in bringing forward measures of commercial reform) may be justly imputed to the parties most directly interested—the manufacturing and commercial classes—who so long slumbered over the question of reform, and could not be roused from their torpor by the remonstrances of Mr. Thomson himself, and other far-sighted members of those classes, until the crisis which he and they anticipated had actually arrived, when the diminished demand of foreign nations—prevented by the corn-law from becoming our customers—had brought on an amount of pressure and distress threatening the decay and destitution of large portions of our manufacturing and commercial industry. So long as this torpor existed—so long as the public appeared careless of the matter—Mr. Thomson could not but yield to the argument of his colleagues, which was based on the indisputable fact that to bring it forward was to break up the Government.”

Those questions having at last been mooted by the Whigs in 1841, the memoir continues:—

“The Government was driven from office, and Sir Robert Peel and his party, as Protectionists, admitted to office instead. The intense interest felt by Mr. Thomson, even while absent and engaged in other absorbing occupations, in the struggle making on fiscal questions at home, is evinced by passages in his private letters from Canada—remarkable for the sagacity with which he anticipated all that has since occurred. To Lord John Russell he wrote, 21st March, 1841—‘Your finance is what I look to now with most anxiety; I have told Baring that I do not think you will make anything by trying to *patch*.’ (Baring was the Chancellor who held the office which he, afraid that he could only patch, and not reform largely and well, had declined.) ‘He may either go to work in downright earnest with commercial reform in sugar duties, timber duties, corn duties, and thus get a large revenue by throwing over, *if he can*, landlords, merchants, West Indians, and Buxton and Co.; or he may come to a property tax. In the first case, nothing but a general and decided attack upon all these different monopolies—a sort of commercial reform bill—will give him a chance of success. In the second, the impossibility of doing this must be his plea for taking that course. I feel satisfied that no little petty shifting of duties on one article or another will give you anything like the revenue you want, and yet the attempt will probably be more troublesome than the greater measure.’”

In 1837-38-39-40 there had been a growing deficiency in the Exchequer, arising in part from increasing expenditure, partly from decay of trade under bad harvests, and partly (indeed chiefly) from the restrictions on trade and the heavy taxes. New debts were contracted, first by the issue of Exchequer Bills, then by these being funded and added to the national debt.

In 1840 an act was passed granting additional duties on customs, excise, and assessed taxes; the additions being 5 per cent. on customs, except on spirits, grain, or flour imported; on excise, 5 per cent., except on horses let for hire; and 10 per cent. on assessed taxes, except certain classes of windows and carriages. On spirits the addition was 4d. per gallon, with some exceptions.

This scheme brought no additional revenue. But a profound truth was put to the proof, namely, that taxation has a limit beyond which it cannot be imposed; at which it will summarily arrest consumption. But this was still further proved by its inverse operation, when, two years afterwards, Sir Robert Peel reduced the tariff.

The Whigs, as a last resort, yielded to the demand for financial and commercial reform in 1841, by proposing alterations in the duties on corn, sugar, and timber;

ut they were not heartily accepted by the public as sufficient. A vote of want of confidence in the Ministry was moved by Sir Robert Peel, and carried in a very full house by a majority of one. As the financial project of the Whigs included a further recurrence of debt to meet current expenditure, there was but little regret in the country when their difficulties turned them out of office. It was known that Sir Robert Peel, who with his party succeeded them, must propose some comprehensive measure of change, or sink like them into contempt. From his accession to office in autumn, 1841, until the session of 1842, he kept his plans a profound secret. At last he brought forward his scheme of finance, which has been thus sketched by Harriet Martineau :—

“The scheme was this. Here was a large deficiency to be met, and such a surplus to be provided as would prevent the recurrence of a deficiency. It was too great a need to be met by a tax on a commodity here, and a commodity there, at a time when too many commodities were going out of use through the poverty of the people. The appeal must be made directly to property; and the first proposition was of an income-tax not to exceed sevenpence in the pound, or nearly three per cent., for a limited period. Such a tax, besides filling up the deficit, would yield a surplus that would justify a vast reduction of commercial taxation; and the confident expectation of the Minister was that so much relief would be felt from these reductions, from the improvement in trade and in comfort that must follow, that the payment of the income-tax would be rendered very easy. He believed that, when almost the whole mass of commercial duties was removed, the difference to individuals from the relief would be worth fully the £2 18s. 4d. in every £100 of their incomes that the income-tax would take from them. From this tax all incomes below £150 were to be exempted. This was very well. But it was not so well that income from all sources was to be treated alike; that the receiver of a temporary annuity of £200 from the funds, for instance, should pay £5 16s. 8d. out of it in the very last year, while the receiver of £200 from landed property paid only the same sum. And, again, that the professional man, surgeon, or lawyer, who, in the decline of life, was beginning to earn £1,000 per annum, but who had not made provision for the family who would lose their income at his death, should pay the same amount of tax as the proprietor who would transmit £1,000 of rental to his children. This was regarded at the time, and has been regarded more and more since, as the great imperfection of the ministerial scheme. It was allowed to pass at first, because the tax was proposed as a temporary one; and it was felt that the vast labour and difficulty of making arrangements for ascertaining the sources of income and the apportionment of the tax, could hardly be got through before the term of its imposition would have arrived. *But arrangements should have been made for the prosecution of this task from the moment it was supposed that the renewal of the tax would be necessary.*

“It has been twice renewed, with the entire approbation of clear-headed and public-spirited men in the country, many of whom would be glad to see it increased to ten per cent., for the sake of the abolition of all other taxes; and yet nothing is done or promised about proportioning the tax to the saleable value of incomes. After deducting the incomes under £150 (which would have yielded a quarter of the whole amount), the impost was expected to yield something above three millions and a half. As for its duration, five years would have been proposed unconditionally, but for the chance of one of those turns of commercial prosperity which might render its continuance unnecessary. It was, therefore, to cease at the end of three years, or go on to five, as Parliament should at the time see fit. Ireland was exempted from the tax, not only on account of her poverty, but because, not being subject to assessed taxes, she had no machinery for the collection of the duty; and the consequences of setting up such a machinery in the existing state of Ireland required the gravest consideration. It was proposed to levy an equivalent amount of tax in Ireland by increased duties on spirits (the consumption of which was again on the increase from the decline of the temperance movement), and by equalizing the stamp duties in England and Ireland. Absentees residing in England from choice, and not public duty, would be subject to the income-tax as English residents. One other measure for increasing the revenue was proposed—the extension of the four-shilling duty on the exportation of coal, hitherto partial, to all exporta-

tion of that article. Here would be a revenue, it was supposed, of £4,580,000 from these new sources. After supplying the deficit, what was to be done with the surplus?

"It was to be applied in the largest reduction of commercial taxation ever contemplated by Cabinet or Parliament. Out of twelve hundred articles subject to customs duties seven hundred and fifty were to be reduced. The first principle was, the ministers said, to remove prohibitions; and the next, to reduce duties on the raw materials of manufacture to 5 per cent. or less. On articles partially manufactured the duty would never exceed 12 per cent.; nor, on articles wholly manufactured, 20 per cent."—*History of England during the Thirty Years' Peace*, p. 536.

SECTION XXI.

BENEFICIAL EFFECT OF REDUCED OR REPEALED TAXES UPON CONSUMPTION: TEA AND COFFEE, PRINTED CALICOES, PRINTED COTTONS, AND WOOL.

The Association having traced the fiscal system up to Sir Robert Peel's first epoch of commercial reform, 1842, it now becomes their pleasing task to show how beneficially the reduction or repeal of duties has operated for the general good of society. But to make the evidence of such benefits as complete as can be done with due regard to brevity and perspicuity, they will take a number of articles one by one, and give the dates and incidents of their relief from taxes previous to, as well as after, 1842.

TEA.—The history of tea, its taxation and consumption, is instructive. Previously to 1745 tea was charged with an excise duty of no less than 4s. per pound, and with a customs duty of 14 per cent. *ad valorem* (on the importation price); and it appears that, on an average of the five years ending Midsummer, 1745, the teas entered for consumption amounted to 768,520 lbs. a year. But though the taste for tea was then comparatively little diffused, it was well known that its clandestine importation was extensively carried on, and that its real was much greater than its apparent consumption. To check this illegitimate traffic, which enriched the smuggler at the expense of the revenue and of the fair trader, a bill was carried through Parliament in 1745, in pursuance of the recommendation of a committee of the House of Commons, by which the excise duty on tea was reduced from 4s. to 1s. per lb., and 25 per cent. *ad valorem*. The price of teas sold by the East India Company being then 4s. at their sales, the 25 per cent. was 1s. per lb., which, with the excise duty, made 2s. per lb., equivalent to a reduction of 50 per cent. on the excise duties. The year after the reduction, the entry of teas for consumption amounted to nearly *three times* as much as they were in the last year of the high duties.

Sir S. T. Janssen, Alderman, and representative of the City of London, who had been the moving member in obtaining this reduction of duties, contributed an article on tea to "Postlethwaite's Commercial Dictionary," in which he refers to this reduction thus:—

"The experimental trial upon the article of tea was the first of its kind, of any material consequence, which was ever made to prove that the lowering of a high duty upon an article of consumption hath considerably advanced the public revenue upon such article, by occasioning a general increase of its consumption. It shows that a foreign commodity, even of a luxurious nature, may become a general article of consumption. * * * It indicates the next degree to a demonstration, that duties upon commodities may be strained to so high a pitch as to cause a general diminution in their consumption. * * * It proves that the price of teas has fallen so very considerably in consequence of the Government adopting this plan that the custom of tea-drinking has since become universal throughout the kingdom, amongst all degrees of people, that the smuggling of this article is greatly abated, and that a surprising increase in the consumption of sugar has

insued, to the great improvement of the sugar colonies, as well as to the great increase of the revenue by the duty on sugar; and all these consequences have naturally attended an increase in the consumption of teas, chiefly and principally to the lowering the high duty thereon."

The increased consumption here asserted is proved by reference to official tables. In the five years ending 1745, immediately preceding the reduction of the duty, the consumption was 3,842,600 lbs. In the next five years, ending 1750, the consumption was 11,800,000 lbs. But notwithstanding this unanswerable demonstration of the superior productiveness of low duties (the amounts were £800,000 odd in the first five years named, and £1,500,000 odd in the second five years) they were again increased in 1759 (under the pressure and necessities of war), and fluctuated between that year and 1784 from about 65 to 120 per cent. *ad valorem*. In 1768 an abatement of 80 per cent. on black tea caused the consumption to increase immediately 80 per cent.; and when, in 1773, the shilling duty was re-imposed, the consumption fell back to its former scale.

"The effects which followed this inordinate extension of the duties in 1759 are equally instructive with those which followed their reduction. The revenue was not increased in anything like a corresponding proportion; and, as the use of tea had become general, smuggling was carried on to an infinitely greater extent than in any former period. In the nine years previous to 1780, above 118,000,000 lbs. of tea were exported from China to Europe in ships belonging to the Continent, and about 50,000,000 lbs. in ships belonging to England. But from the best information attainable, it appears that the real consumption was almost exactly the reverse of the quantities imported; and that while the consumption of the British dominions amounted to above 117,000,000 lbs. in those years, the consumption of the Continent did not exceed 49½ millions. If this statement be nearly correct it follows that an annual supply of about 8,000,000 lbs. must have been clandestinely imported into this country in defiance of the revenue laws, to the hurt of the fair trader, the derangement of a regular course of trade, and the demoralization of all concerned in smuggling. It also led to extensive adulteration; for many of the retail dealers who purchased tea at the East India Company's sales being, in a great measure, beaten out of the market, were—that they might stand the competition of the smugglers—tempted to adulterate their teas by mixing them with sloe and ash leaves."—*Macpherson's Commerce with India*, p. 208.

At length, on the accession of Mr. Pitt to office (who, during the first nine years of his official life, attempted more commercial reforms than he was successful in carrying, more than the monopolist, mercantile, and manufacturing population thanked him for, more than his Tory followers and admirers are pleased to acknowledge, more than his liberal opponents have given him credit for), Mr. Pitt, in 1784, seeing that every other resource for the suppression of smuggling had been tried in vain, followed the precedent of 1745, and reduced the duty on tea from 119 to 12½ per cent. This measure was as successful as the former. Smuggling and adulteration were immediately put an end to. Observe the following statement of teas sold at the Company's sales:—

In 1781 the quantity was .. 5,023,419 lbs.	|	In 1785 (duties reduced) ... 16,307,433 lbs.
1782 " " ... 6,283,664 "	|	1786 " " .. 15,093,952 "
1783 " " ... 5,857,883 "	|	1787 " " .. 16,692,426 "
1784 (duties reduced) .. 10,148,257 "	|	

This shows that, with the reduction of duty, the quantity of tea sold by the Company was *trebled* in two years.

This measure was accompanied by an increase of the duty on windows calculated to produce £600,000. The Act for that purpose was called the "Commutation Act." It was well received, for the revenue from tea did not decline in the proportion anticipated. It fell from £700,000 to £340,000, which last, added to the increase of window duty, gave the Minister £240,000 more than he had. With the views of fiscal policy now prevalent, this increase of window duty would be now indefensible. But, unlike the Financial Reform Association in the present time, nobody then suggested a substitute for the tea duty other than a tax on some other commodity.

But, once more, the accursed operations of war led to a departure from the wise system of the low tea duties of 1784, as it had done from those of 1745. The neces-

sities of the war chest, in the struggle to put down "French principles," caused the tea duty to be raised to 25 per cent. in 1795; and after successive augmentations in 1797, 1798, 1800, and 1803, by Mr. Pitt, and his Tory successor, Addington, it was raised by the Whig successors of Addington, in 1806, to 96 per cent. *ad valorem*, at which it continued until 1819, when it was raised to 100 per cent. on teas sold at the sales at above 2s. per lb.

The foregoing figures, in most part, rest on Mr. M'Culloch's authority, as given in his "Treatise on Taxation." In his "Commercial Dictionary" tables will be found showing the influence of the increased duties upon consumption. They cannot be conveniently quoted here. It is enough, at present, to say, that the results were uniformly disadvantageous.

"Up to 1833 tea could only be imported into the port of London, and only by the East India Company's ships. The consumption was checked, not only by the high duty and the enhancement of the price by reason of the monopoly, but also by the mode of taking the duty according to the sale price, by which means the monopoly was made to work the two-fold injury of increasing both the price and the rate of duty."—*Porter's Progress of the Nation*.

On the opening of the trade in 1833, discriminating duties of three rates, upon three qualities of tea, were imposed, namely, 1s. 6d., 2s. 2d., and 3s., but were found to be impracticable. The Custom-house officers judged differently from the merchants or from fact. Mr. M'Culloch contends that the difficulties were greatly exaggerated; but practical men concerned with the trade knew that the difficulties were too great to be exaggerated. In 1836 the discriminating duties were commuted to one of 2s. 1d. on all teas, to which 5 per cent. was added in 1840. (For illustrations of the effects of this high duty, its unfairness on the lower qualities of teas, and for arguments against all commodities, see the Tracts of the Association treating of Indirect Taxation.)

The reduction of price resulting from the abolition of the company's monopoly has enlarged the consumption, notwithstanding the excessive duty. In 1821 the number of pounds consumed was 22,892,913. That was a year in which the bulk of the people were in fair circumstances; there were some complaints of agricultural distress, but not so much distress in the farm-houses as to affect the teapot; while as to labourers in towns, their wages could better afford bread, and a little tea, than for many years before. In the towns, trade and wages were rising, and the demand for family comfort rising also. Now, mark! From 1801 to that year, 1821, being twenty years, the consumption of tea had only increased by about 2½ million lbs.; whereas, in the next twenty years, ending 1841, the increase was twelve million lbs.; caused chiefly by the reduction of price, after 1833, though also in part by the increase of population. But 1841 was a year of extreme depression, which 1821 was not.

Mr. Porter remarks, in reference to tea, that "the consumption of this class of articles affords a very useful test of the comparative condition, at different periods, of the labouring classes. If, by reason of the cheapness of provisions, the wages of the labourer afford means for indulgence, sugar, tea, and coffee, are the articles to which he earliest has recourse, and his family partake in the sober gratification. On the other hand, it will often happen that where the power of buying these things is not enjoyed, the small sum that can still be spared after the purchase of his loaf is bestowed in procuring that stimulating draught which is then more than ever desired, and the man is driven from his cottage to the public-house. We may thus reconcile the apparent anomaly which has been so often remarked, that the excise revenue maintains its level during even lengthened periods of distress."—*Progress of the Nation*, p. 592.

COFFEE.—The history of coffee is still more instructive than that of tea in proving that increased consumption (with all the enlarged courses of trade and profit, followed by moral and social advantages) is the direct and immediate result of diminished duties. "There are but few articles," says Mr. Porter, "fitted for general use, which have been subjected in an equal degree to alternations of high and low duties, and with respect to which we are consequently enabled with equal certainty to trace the effects of taxation in contracting or enlarging the enjoyments of the people."

Previously to 1722 the duty on coffee amounted to 2s. a pound; but an act was

men passed, in compliance with the solicitations of the West India planters, reducing the duty to 1s. 6d. a pound, at which it stood for many years, producing, on an average, about £10,000 a year. In consequence, however, of the prevalence of smuggling, caused by the too great magnitude of the duty, revenue had declined in 1783 to £2869. And, it having been found impossible otherwise to check the clandestine importation, the duty was reduced in 1784 by Mr. Pitt (see preceding History of Tea, Tract No. 17) to 6d. a pound; upon which the consumption of coffee, lawfully imported, immediately increased *nine-fold*.

But the necessities of war caused an augmentation of duties, which, however, brought a very disproportionate revenue. In 1801 the duty on coffee was 1s. 6d. a pound, at which the consumption was 750,861 lbs., being one ounce and a fraction to each of the population; though, in fact, it was an article only attainable by the richer classes. In 1807 the duty was raised to 1s. 8d., the consumption being 1,170,164 lbs. But in 1808 the duty was reduced to 7d., and the beneficial result natural to such reduction followed; the consumption in 1809 was no less than 1,251,847 lbs. In 1811 the consumption under the 7d. duty had increased to a fraction over eight ounces for each of the population, instead of one ounce, as in 1801, when the duty was 1s. 6d.

In 1819 the duty was advanced from sevenpence to one shilling; the consumption at once decreased about four millions of pounds, so that in 1821 the quantity per head of the population was a fraction less than in 1811. The consumption under the shilling duty of 1819 fell to little over six million pounds. But in 1824, under Mr. Huskisson's system, the duty was reduced one-half, to 6d. What was the result? A consumption in 1825 of 10,766,112 lbs! And notwithstanding the commercial disasters which followed the year 1825, and the depression of industry and its rewards up to 1830, the consumption of coffee had increased in the latter year (doubled from 1825, more than trebled from 1824) to 21,840,520 lbs.

"The duty on coffee, the growth of the British West India plantations, was continued at the same rate until 1842; but as the consumption, after the reduction of duty in 1825, speedily overtook the power of production in those plantations, the quantity used was necessarily limited until the market price should be raised so high as to admit the produce of the British East Indies. This, in effect, soon occurred. In 1835 the importations from the British West Indies were less than fifteen million pounds, and the state of the market made it advisable for the dealer to pay the additional duty of 28s. per cwt. upon East India coffee, of which 5,596,791 lbs. were thus brought into consumption that year, but without augmenting the aggregate quantity used. It being thus evident that the supply from the West Indies was incommensurate with the wants of the country, and that even the stimulus of a high monopoly price was ineffectual for its increase, the tariff was modified at the end of 1835, so as to admit coffee, the growth of the British possessions in the East Indies, at the duty of 6d. per lb. levied on West India coffee.

"Upon this change of circumstances the consumption, which had been stationary for the five preceding years, again suddenly started forward, to be again checked by the inadequacy of even the enlarged supply, and the price was, by this virtual monopoly, sustained so high that it became worth the while of merchants to send coffee, the growth of foreign plantations, and which was liable to pay a consumption duty of 1s. 3d. per lb., to the Cape of Good Hope, for reshipment to this country; by which expensive ceremony it became entitled to admission at the modified rate of 9d. per lb., being 28s. per cwt. beyond that exacted on coffee the growth of British possessions, the difference in the market price being more than equal to this, in addition to all the changes of the outward and homeward voyages."—*Progress of the Nation*.

In 1842, by Sir Robert Peel's tariff, the duty upon coffee the growth of British possessions was reduced to 4d., and upon all foreign coffee to 8d. In 1844 the duty on foreign was reduced to 6d. The consumption had risen from 750,861 lbs. in 1801 to the following quantities in recent years:—

1841	27,298,322 lbs.	1846	36,754,554 lbs.
1842	28,519,646 "	1847	37,441,373 "
1843	29,979,404 "	1848	37,077,546 "
1844	31,352,382 "	1849	34,399,374 "
1845	34,318,095 "	1850	Not yet published.

The quantity taken from bond, for consumption in 1850, was probably about the same as in 1849; at the time of printing this sheet the precise figures are not known. The official returns, however, do not show the exact consumption; it is enough to direct attention to the Custom-house frauds in London and Liverpool. The Tracts of the Association, and the criminal records of Liverpool, will show how quantities of coffee (so much as 5000 bags at a time) may come into consumption without payment of duty, consequently without being reckoned in the official returns.

PRINTED CALICOES.—These are said to have been first printed in England by a Frenchman in 1676, at Richmond, on the river Thames. (“Anderson’s History of Commerce.”) Owing to the interference of Parliament, first by the imposition of heavy duties, and afterwards by more direct restrictions, this trade was destroyed in 1720. The object was the encouragement of the silk and woollen manufactures (with what effect on silk see the remarks on that article). The restriction against weaving printed fabrics, of which cotton formed a part, was repealed in 1736, and it was computed that in 1750 as many as 50,000 pieces of goods made of linen warp and cotton weft were printed in England. In about fifteen years after this, printing was introduced into Lancashire. It advanced, in connection with the new appliances of mechanics and chemistry, but not in the proportion which it has done since the final disappearance of the exciseman from the print-works. In 1800 the quantity printed was nearly thirty-three million yards. In 1830, the year before the duty was wholly repealed, the quantity was 347½ million yards. But this period included the discovery of engraving the patterns and multiplying copies of the engravings to any extent by metal cylinders, by which steam power became as applicable to the print-works as to the spinning-mill; it also included the period in which the power-loom was applied to the cheap production of the cloth which was to be printed. These causes of increased production, in union with the almost magical effects of newly-discovered combinations in chemistry at the same period, might have led to greater results, but for the excise tax and the hindrances of the excise regulations. There are now no data upon which to estimate the yards of calico printed annually; but it is admitted by practical men to have advanced in a greater proportion since 1830 than previously, without the advantages of new discoveries in mechanical and chemical science as before, except in a few instances, such as the substitution of etching for engraving. The true causes of that elegance of design, brilliance and durability of colours, facility of production, and diminution of cost, which now distinguish this great industrial art, compared with what it was when the exciseman held it under charge, are first, the exciseman’s absence; and second, the removal of the customs duties from most, if not all, the ingredients employed in dyeing, printing, or bleaching—in short, it is now free.

Mr. Porter says of the excise tax on calicoes—“The net revenue derived from this tax, on an average of the ten years preceding its repeal, was little more than £600,000 per annum; but in order to realise this sum to the Exchequer, the gross amount of duty levied during the same time averaged £1,850,000, more than two-thirds of the same being repaid as drawbacks upon the quantities exported. This, in itself, was a great and acknowledged evil; it held out temptation, and opened the door to frauds, which it is well known were committed to a considerable extent.” (See Remarks on the Drawbacks on Beer, in the Association’s Tracts on Indirect Taxation, for an indication of the kinds of fraud perpetrated under drawbacks.) “And besides this crying evil, the interference of revenue regulations placed many obstacles in the way of experiments and improvements, as we have been since happily able to ascertain. Without entering into any minute explanations upon this subject, it may be stated in proof of this assertion, and upon the authority of a gentleman thoroughly and intimately conversant with all the details of calico-printing, that, upon the same premises, with the same capital, and employing the same amount of labour, double the quantity of cloths are now printed which were printed previous to the repeal of the duty, and the consequent removal of the revenue officers from the print-works.”—*Progress of the Nation*, p. 205.

COTTON.—The removal of the tax from cotton has, in like manner as in calicoes, stimulated the production of cotton fabrics, and economised the use of capital. But in this case consumption has of late years been so little behind supply, and

latterly has pressed so closely upon it, that the enhancement and fluctuation in price has obliterated the memory of the cotton tax.

Wool.—The history of wool and the woollen manufacture is also full of instruction. The spinning of wool in Britain is supposed to be as old as the Roman invasion, but not older, as the previous inhabitants were clothed in skins. Little is known of the cloth made from woollen yarn earlier than the beginning of the thirteenth century. Before that time, and long after, English wool was exported to Flanders, worked there, and cloth made from it was imported. Edward III., about 1330, took the most judicious method of improving the manufacture. He invited to England Flemish weavers, fullers, dyers, and others, engaging to protect them from the assaults of English workmen. Soon after, an act was passed (1337) prohibiting the wear of any cloth made beyond sea; but it became in this respect a dead letter. It also prohibited the export of English wool; this, however, was soon after repealed in order to obtain money for public uses, which the prohibition of exportation had barred out. ("Smith's Memoir of Wool"). Many statutes were passed afterwards, regulating the manufacture or the trade in wool, all with a view to promote it. Mr. Smith has proved that the manufacture made a far more rapid progress during the reign of Elizabeth, when wool might be carried freely out of the kingdom, than it did at a subsequent period when such trade was restricted. This restriction was imposed in 1660, and was not removed until 1825, when Mr. Huskisson's improved policy began to prevail. Mr. Culloch doubts ("Commercial Dictionary") if any of the statutes referring to wool did good. Modern experience, particularly at the period of present writing (1851), proves, by comparison with other periods, that the taxes on wool, or statutes regulating the trade, were mischievous. Several towns obtained monopolies of the manufacture, as York, to the exclusion of all Yorkshire; Worcester and four other towns in the same county, excluding the rest; and Norwich, in an Act of Parliament at the same time, 1533, called worsted yarns (so named from the village of Worstead, twelve miles north-west of Norwich), making it the "private commodity of the City."

Mr. Porter says, in reference to the restriction imposed in 1660—"The mistaken policy of this selfish system has been rendered fully apparent since its abandonment. No sooner were the French manufacturers able to procure the combing wool of England [he refers to that of long staple], than they set their ingenuity to work to profit fully from the concession, and produced new stuffs from English wool superior to any that we had ever produced in this country. Thus stimulated, our manufacturers also applied themselves to the discovery of superior processes, and in the course of a very few years have produced merinos and other stuffs in every respect equal to the fabrics of France."—*Progress of the Nation*, p. 166.

This opinion is supported by the fact that before England was allowed to export wool, she exported less cloth, and certainly retained less at home, than since. In the five years ending 1824, immediately preceding the removal of restrictions, the annual exportation of cloth made from long wool was 1,064,441 pieces. In the five years following, during which the removal of the restriction occurred, the average annual export of such goods was 1,228,239 pieces; and in the next five years it was 1,505,993 pieces; in the years 1835 to 1839 the average export was 1,429,057 pieces; in the five years ending 1844 it was 2,128,212, being exactly double the quantity exported during the last five years in which the prohibition to export wool existed. That rate of increase is still maintained; but of late years wool and cotton fabrics, or wool and silks, have entered so largely into our exports that it is no longer correct to speak of woollen cloth in estimating the exportation of woollen manufactures.

It may be objected that the removal of the prohibition on the export of wool was not the removal of a fiscal tax, and therefore not within the line of argument assumed by the Financial Reform Association. But it was the removal of an artificial obstruction to trade and industry; and it is against indirect taxes, in their character of artificial impediments to industry, that the Association contends. They point to this branch of the historical obstructions (happily they are now historical) which depressed the woollen manufacture as another proof that freedom to work at, or trade in, any commodity which before was restricted, increases the power to pay taxes out of the augmented income or property which the free

industry creates—a power wholly supplementary to that which may have existed under the restrictions. While, again, it may be fairly assumed that taxes levied *directly* from such income will be more economically expended, and the Government which spends them more providently regulated, than in the case of taxes levied *indirectly* upon commodities, and transfused into price, no one knowing what is tax or what is price.

But the importation of foreign wool is also an element in the expansion of the woollen manufacture. Nor is it to be overlooked that the production of cotton fabrics has been advancing ahead of woollens at the same time; that linen and silks have partaken largely of success and progress in the same period; so that it is not by the decay of one industrial art that another has thriven, but by freedom for capital and industry to employ themselves in any or in all (as will be more especially shown in the case of silk). The ruin predicted for sheep farmers, if foreign wool were admitted duty free, in Mr. Huskisson's ministerial day, need not now be rewritten. Wool comes in free, and in quantities never dreamt of by the alarmists, and there is no ruin, nor sign of it, blighting or threatening the wool-growers; on the contrary, wool, which averaged 4d. per pound when Arthur Young made his tour of England, about eighty years ago, is now 1s. per pound.

Up to 1803 foreign wool had been imported into England duty free. In July, 1803, a duty of 5s. 3d. per cwt. was imposed on all wool imported from abroad or from the colonies, upon which the importation declined from over 7,000,000 annually to less than 6,000,000 lbs. In June, 1804, the duty rose to 5s. 10d., the importation reaching nearly to that of 1801, namely, 7,000,000 lbs. From May, 1806, to July, 1809, the duty was 6s. 4d. and two-thirtieths of a penny; the importations, on an average, less than 5,000,000 lbs. From 1809 to 1813 the duty was 6s. 8d., the importations supposed to be about 6,000,000 lbs. a year (the records for 1813 being destroyed by fire). From April, 1813, to July, 1819, the duty was 7s. 11d. In this period the imports increased from various causes; partly because countries prolific of wool of the finer sorts, as Spain and Germany, were at peace, their flocks of sheep recovering the disasters of war; and partly from the greater demand for English woollen cloth of the finer kinds in those countries, also in the United States of America; and partly to the deterioration of the best qualities of English wool. For it appears that, while superior feeding of sheep and crossing of breeds, to improve the growth of mutton, has given more weight to the fleece, the "prime" sortings from each fleece have declined. The importations from 1814 to 1819, inclusive, averaged yearly about 15½ million lbs. In 1818 they were 24½ million lbs., and would have probably been as much in 1819 had not two augmentations of duty taken place, first to 9s. 4d. per cwt., and then to 56s. per cwt., or 6d. per lb. on foreign, and 9s. 4d. on colonial wool. The importation declined from 24½ million lbs. in 1818 to 16,000,000 in 1819, and to 9½ millions in 1820. The duty on foreign continued at 56s. per cwt. until September, 1824, when, for the next three months, it was 28s.; on colonial it was 9s. 4d. from October, 1819, to January, 1823; from which to September, 1824, it was 28s.; the next three months it was 9s. 4d. Thus we come to the end of 1824, having five years of excessive wool duties before us, with an average importation of foreign and colonial wool amounting to about 17½ million lbs. annually for those five years. Now, mark the change!

From the 10th December, 1824, to July, 1825, colonial wool paid 9s. 4d., and foreign 9s. 4d.; after the 5th July colonial was free, and foreign paid two rates of duty of 4s. 8d. and 9s. 4d. per cwt. What was the result? An importation of nearly 44,000,000 lbs. in 1825. But 1825 was a year of speculation, and 1826 a year of closed mills and bankrupt merchants; the importation of wool in that year fell to what it was in 1819, namely, about 16,000,000 lbs. After 1826 the importation advanced, until, in 1834, it exceeded what it had been in 1825, being in that year 46½ millions nearly. In 1843 the figures were the same within a fraction, the average of the ten years 1834-43 being annually about 49½ million lbs. In 1844 the duties of 4s. 8d. and 9s. 4d. per cwt. on foreign wool ceased. The importation at once rose to over 65,000,000 lbs., of which, however, about 2,000,000 lbs. were exported, or balanced by other wools exported. Since 1844 the amounts have fluctuated, but the annual average has not been less; and so far as is yet known of 1850 and 1851, is believed to be very considerably more.

The unlooked-for, the astonishing, extension of the manufacture of mixed stuffs

Bradford and elsewhere, in which wool forms only a part of the fabric, and the progress which goes on apace, with no apparent limit before it but the supply of fine wool, is one of the results of a free trade in raw materials, which cannot be estimated by wool imported, or cloth sent out of the country. But the growth of Bradford and adjacent districts, their thriving trade, well-doing work-people, and profitably-invested capital, are not the less evidences of the beneficial results of free trade in wool, because tables of imports and exports, expressing weight of material, do not express the delicacy and elegance which give the products of Bradford looms their high value.

SECTION XXII.

BENEFICIAL EFFECT OF REDUCED OR REPEALED TAXES: THE SILK TRADE.

The history of an industrial art may now be entered upon, whose early years, when it grew freely and was free to grow, were marked with healthful vigour; which, however, came to no maturity, which sank, indeed, to decrepitude under fiscal burdens and other restraints, and lingered feebly through more than a century of premature decay; but which, at last, when emancipated from restraint, and its fiscal bonds stricken off, recovered the health and expansive vigour natural to freedom. It grew, and continues to grow (a lesser brother, it is true, beside the younger giants, the cotton and iron industrial arts, which were never treated as it was in their youth), and it now promises a vigorous life, which shall be co-existent with free industry. The history of such an art is sufficiently appropriate to present financial politics, to be treated somewhat circumstantially by the Financial Reform Association. It is the history of the silk manufacture and the silk trade in England.

It is necessary that the reader should understand the more common of the technical names given to silk in its stages of preparation for the loom. Most persons know that the silkworm is a caterpillar which, after acquiring its full growth, preparatory to a change of bodily form proceeds to envelop itself in an oval-shaped cocoon or ball, which is formed by an exceedingly slender filament of silk, yellowish in colour, which it gradually emits from its body. After emerging from this silken habitation, it finds its mate, which has undergone a similar transformation from the worm to the moth or butterfly state. In two or three days afterwards, the female having deposited her eggs, from three to five hundred in number, both insects die; their purpose in the grand economy of the universe having been accomplished.

Several of the cocoons being put in hot water to soften the natural gum on the filaments, are wound off together in one thread on a reel, and made up into hanks. This is converted into one of three forms—first, “singles,” formed of one reeled thread, being twisted in order to give it strength and firmness; or second, “train,” formed of two or more threads twisted together; in this state it is commonly used, in weaving, as the weft, or transverse threads of the web, termed in the silk manufacture the shoot; or third, “thrown silk,” formed by two or three or more “singles” being thrown together (twisted) in a contrary direction to that in which the singles of which it is composed are thrown or twisted. This becomes fit for the warp (longitudinal threads in the loom), or for other purposes requiring strength. This process is called “organizing,” and the product is commonly known as “organzine.” Silk-throwing was a London trade, “learned from the strangers” (Protestant refugees) so early as the fifth year of Elizabeth. Though retarded by the civil wars, the manufacture continued gradually to advance; and so flourishing had it become that it is stated, in a preamble to an act, 13 and 14 Charles II., that there were at that time no fewer than forty thousand individuals engaged in the trade. And it is of importance to observe (says Mr. M’Culloch) that though the importation of French and other foreign silks was occasionally prohibited during the reigns of James I. and Charles I., the Protectorate, and the reign of Charles II., the prohibition was not strictly enforced, and, generally speaking, the importation was quite free.

In consequence of the act of Louis XIV. which exposed the French Protestants to confiscation of life and property, in 1685, it is supposed that fifty thousand useful

men and women came to England for refuge. Such of these as had been engaged in the silk manufacture were given a refuge in the "Spital," or hospital, standing in the fields north-east of London. There they settled, and formed the silk-weaving colony of Spitalfields, introducing some branches of the art formerly unknown to England. Mr. M'Culloch thinks their services to the manufacture has been greatly over-rated, though, doubtless, they gave it a stimulus. "When the refugees fled to England," he writes, "foreign silks were freely admitted; and it appears, from the Custom-house returns, that from £600,000 to £700,000 were annually imported in the period from 1685 and 1692, being the very period during which the British silk manufacture made the most rapid advances. But the manufacture was not long permitted to continue on this footing. In 1692 the refugees, who seem to have been quite as conversant with the arts of monopoly as with those either of spinning or weaving, obtained a patent giving them an exclusive right to manufacture lustrings and *a-la-modes*, the silks then in greatest demand. This, however, was not enough to satisfy them, for in 1697 Parliament passed an act, in compliance with their solicitations, imposing such duties intended to prohibit the importation of all French and other European silk goods; and in 1701 the prohibition was extended to the silk goods of India and China."—*Commercial Dictionary*.

In 1719 a patent was granted to the Lombes, of Derby, for their silk-throwing machinery, erected from models clandestinely obtained in Italy; and, subsequently, Parliament made them grants of public money. So far this might have been well; but, with a view to protect the interests of silk-throwing in England, enormous duties were laid upon foreign organzine, or thrown silk. Without foreign thrown silk, however, the English weavers could not carry on the manufacture. Silks became too dear to be other than a luxury; and, being a luxury, confined to the use of a very limited number of persons, they were the more subject to caprices of fashion. Again, because they were a luxury, it was thought judicious to lay heavy taxes on their material, all which made the art of silk-weaving more limited and precarious. Moreover, this policy encouraged the smuggling of foreign-made silks just as effectually as if a high premium had been paid to the smuggler, and as detrimentally to the silk weavers, who believed they had a monopoly, as if they had been rated to pay the smuggler his premium.

In 1765 laws still more stringent were enacted to put down smuggling, the effect of which was the reverse; they increased the price of silks, and so afforded a higher bounty to the contraband trader. In 1773 the Spitalfields weavers who had, during all the period of high duties and prohibition, been in a state of warfare with the "protected" masters, demanding "protection" in return for their work, obtained an act to regulate wages. This, which has been commonly called the Spitalfields Act, entitled the weavers of Middlesex to demand a fixed price for their labour, which should be settled by the magistrates; and while both masters and men were restricted from giving or receiving more or less than the fixed price, the manufacturers were liable in heavy penalties if they employed weavers out of the district. The revocation of the Edict of Nantes, which in 1685 drove the forefathers of those weavers from France and the Netherlands, was not more effectual in transporting their trade with them into Spitalfields than this act was in taking their trade from them and planting it elsewhere, as at Macclesfield, the towns of Lancashire, Norwich, Colchester, and Paisley. "Had that act," says Mr. M'Culloch, "extended to the whole kingdom, it would have totally extirpated the manufacture; but being confined to Middlesex, it gradually drove the most valuable branches from Spitalfields to places where the rate of wages was determined by the competition of the parties, on the principle of mutual interest and compromised advantage. Had it continued to the present day, it would not have left employment in the metropolis for a single weaver." It was repealed, at the instance of Mr. Huskisson, in 1824.

On the 8th of March, 1824, Mr. Huskisson propounded his other measures for the reform and improvement of the silk trade. Speaking of the laws which prohibited the importation of foreign-wrought silks, he said—"The monopoly had produced what monopoly was always sure to produce—an indifference with regard to improvement. That useful zeal which gives life to industry, which fosters ingenuity, and which, in manufactures, occasions unceasing efforts to produce the article in the most economical form, had been comparatively extinguished. To the prohibition system it was to be ascribed that in silk only, in the whole range of

manufactures, we were left behind our neighbours. * * I have not the slightest doubt that if the same system had been continued with respect to the cotton manufacture, it would have been at this moment as subordinate in amount to the woollen as it is junior in its introduction to the country." ("Speeches," vol. ii., p. 249.) He proposed that on the 5th July, 1826, wrought silks of any fabric should be admitted at the Custom-house on payment of an *ad valorem* duty of 30 per cent. But even that duty, it was found, constituted a sufficient premium to induce the smuggler to continue in the contraband trade. In 1840 Mr. Porter gave evidence before the Import Duties Committee, and having had access to the records of the French Custom-house showed that the wrought silks exported from France for England far exceeded the quantity legally imported into England during the whole period that the 30 per cent. duty had existed, namely, from July, 1826, to the period of his evidence, 1840. He said—"The amount of duty collected upon 1,875,000 lbs. weight regularly imported through the Custom-house, at the existing duty, is £1,961,678, which is at the rate of 20s. 11d. per lb. weight; the same amount of revenue would have been collected if the rate had been 10s. 11d. per lb., provided the whole quantity shipped from France had passed through the Custom-house; if the duty had been paid on the whole quantity imported at the same rate as was paid on the regular importations, the sum received would have been £3,754,000, or more than the actual receipt by £1,792,000."—*Import Duties Committee*, Question 2459.

But the loss to the country in watching, detecting, and prosecuting smugglers, the deterioration in morals, the losses upon fair-trading capital honestly employed, were greater than even the losses of revenue at the Custom-house.

Writing on this subject more recently in the "Progress of the Nation," Mr. Porter shows that while the 30 per cent. duty lasted, from 1826 to 1844 (when it was reduced to 15 per cent.), the importations of silk, manufactured and unmanufactured, amounted to 79,217,862 lbs. weight; the price paid for silks ready for the milliner, or tailor, or upholsterer, was at the rate of 9s. 9d. per lb. weight beyond what it would have been had the duty been such that all the manufactured silks leaving France for England must have come through the Custom-house. The loss in price to the public of 9s. 9d. per pound weight on that quantity in the seventeen years ending with 1843, during which the 30 per cent. on wrought silks was levied, amounted to £38,618,708—"lost," says Mr. Porter, "to the great bulk of the community in seventeen years, through the operation of excessive duties placed for the supposed benefit of only one branch of manufactures, and which those engaged in it have continually declared to be in a condition of adversity."—*Progress of the Nation*, p. 227.

But it is the duties, and the effect of their removal, which were levied on raw and thrown silk (silk which formed the raw material of the weaver), which are the most instructive to the student of financial reform.

The various duties levied on raw silk (reeled "singles" or unreeled "wastes," and on "thrown" silk, formed of two or three or more twisted singles), together with the prohibitions and restrictions of lesser degree upon wrought silks, were as follow:—

From the beginning of absolute prohibition of wrought silks in 1765 to its close in 1824, the duty on raw silk was 5s. 6d. per lb.; on thrown silk, 14s. 8d.; on dyed, £2 5s. 6d. The increase of importations in fifty-nine years had been from 352,000 lbs. raw, and 363,000 lbs. thrown silk, to 1,970,000 lbs. raw, 74,000 lbs. waste, and 355,000 lbs. thrown silk, showing totals for 1765 of 715,000 lbs., and in 1823 of 2,399,000 lbs.

It was held to be conclusive that the increased importation of raw and the decreased importation of thrown silks, were proofs of the wisdom of high duties to keep out thrown silk for the protection of English throwsters. But subsequent experience has shown that this policy depressed the manufacture, and limited to a very narrow circle of customers the use of silks; and more, that now, when all duties are removed, and raw and thrown silks are admitted free, it is seen that the English throwsters are better employed and paid than in any former time.

In 1824 the duty on raw silk was reduced from 5s. 6d. to 3d. per lb., by which the importation was increased over that of 1823 about 75 per cent. On thrown the duty was reduced from 14s. 8d. to 7s. 6d. per lb., which induced an increase of

about 20 per cent., and no more, because the duty was still excessive. These rates were afterwards farther reduced, that on raw to 1d., and that on thrown silk to 3s. 6d.; a regulation of the Custom-house permitting the latter duty to be drawn back, upon the exportation of the goods into which foreign thrown silk was converted. This was a clumsy contrivance to restore what should never have been taken from manufacturing capital—a contrivance directly leading to frauds, false swearing, ultimately theft, prosecutions, perjury, and demoralization, in the Custom-house at London, and in the offices of unscrupulous merchants, wholly discreditable to any civilized country, and especially disgraceful to one where Christianity is accounted a part of the constitution. (For some particulars of those frauds, see the Association's Tracts on Indirect Taxation.) In 1845 the duties on raw and thrown silk were wholly removed.

When the act passed, in 1824, for reducing the duties on raw and thrown silk, the reduction took effect at once; but to soothe the manufacturers, that part of it which removed prohibition from foreign wrought silk, and substituted a duty of 30 per cent. on value, was delayed two years. Meantime the French manufacturers prepared goods to a large extent to pour into the English market at the 30 per cent. duty as soon as it would come into operation. Parliament still believing in its ability to control or direct trade, and manufacturers still believing that Parliament could regulate their loom-shops, their warehouses, and markets, the following device was resorted to:—The French had long been accustomed to manufacture their goods of a certain length; and in the view of rendering their accumulated stock unfit for our markets, a law was passed by the British Parliament, in 1826, prohibiting the importation of any silks, except such as were of entirely different lengths from those commonly manufactured by the French! "No one can regret," says Mr. McCulloch, "that this wretched trick, for it deserves no better name, entirely failed of its object. The French manufacturers immediately commenced, with redoubled zeal, the preparation of goods of the legitimate length, and the others having become unsaleable, at anything like fair prices, were purchased up by the smugglers, and imported almost entirely into this country, and sold at inferior prices."—*McCulloch's Com. Dict.*, page 1032.

The revulsion in all trade in 1826, arising from causes quite unconnected with legislation on the silk duties, together with the smuggling just spoken of, caused a depression in the home manufacture; but it soon recovered, and made great advances. Mr. Porter, writing of that time, says—

"An immediate and great increase was made in the consumption of silk goods by this reduction in the cost of material. Every throwing-mill and every loom was put in constant employment, and a great increase was made in the number of these establishments. The number of throwing-mills in different parts of the country was raised from 175 to 266, and the number of spindles from 780,000 to 1,180,000; yet, notwithstanding this additional productive power, it was not possible for the throwsters to keep pace with the demands of the weavers, who were frequently kept waiting during whole months for silk to enable them to complete the orders which they had in hand."

Referring to the distress which followed the panic at the close of 1825, and the allegation, on the part of the silk manufacturers, that the depression in their trade in 1826 arose entirely from the influx of French manufactured silks in that year, Mr. Porter says—"This distress, however, soon passed away, so that in the year 1827 a larger quantity of silk was manufactured in this country than had ever before passed, in an equal time, through our looms. It is not by selecting a single year that a proper judgment can be formed upon such a subject."

He then, taking the details of thirty-one years, as shown in a table of figures, elicits the fact, that in the ten years of unqualified prohibition, ending 1824, the quantity of raw and thrown silk used by our manufacturers amounted to 18,823,117 lbs., being an average of 1,882,311 lbs. per annum; that in the ten years immediately following the change of system the quantity used was 36,780,000 lbs., or 3,678,000 lbs. per annum, being an increase over the average of the former period of 95 per cent.; and that in the eleven years ending with 1844, the consumption was 43,588,386 lbs., or 3,962,580 lbs. per annum, being an increase of 110 per cent. upon the quantity used under the restrictive system. The increase from 1844 to the year ending 5th January, 1851, indicates unabated progress; in 1850 the

importation of raw silk was 4,942,417 lbs., being an increase of nearly 1,000,000 lbs. one-fifth of the whole silk used in the kingdom) in six years. The increase of mills and spindles, the enhancement of throwsters' wages, the complaint of the silk weavers that the only cause of their having to "play" is the deficient supply of brown silk—the general diffusion of silk dresses, silken furniture, and attendant comfort, among people into whose families silks were never purchased before, together with the yearly augmenting demand for British silks in foreign countries—all these testify to the wisdom of removing the taxes and restrictions from unwrought silk; while the improvement effected since French wrought silks were admitted at 30 and at 15 per cent. on value, show that we have nothing to apprehend from the 15 per cent. which still remains being removed!—nothing to fear from the silk trade being what all trade should be—free; free as the breezes and the tides; pliant to the merchant's will as the helm and sail to the mariner, who, in turn, should know no obstruction to his ship but tide and breeze and the merchant's convenience.

SECTION XXIII.

BENEFICIAL EFFECT OF REDUCED OR REPEALED DUTIES UPON CONSUMPTION:—SALT; CANDLES; SOAP; SUGAR.

SALT.—Besides its uses in seasoning food and preserving meat, salt is extensively used in manufactures to furnish muriatic acid, soda, and other chemical combinations indispensable now-a-days to the bleacher, dyer, and printer. It also enters into the finishing of coarse pottery, the making of glass, the hardening of soap, and the melting of metals. It is used as a mordant in calico printing (mordant, from *mordere*, to bite; the mordants which fixed colours in cloth being supposed, before their chemical operation was known, to bite the colour into the cloth). Salt is also used in making certain mixed colours, and enters more or less into several other processes of the arts. On some soils its chemical agency makes it a valuable manure. In all countries, and in all conditions of society (except among some tribes of Red Indians living far from the ocean or any natural sources of salt from the earth), it has been esteemed a necessary of life, second only to water and bread. But in all countries governments have either made it a source of revenue, or permission to use it an adjunct of power. In both capacities the British have used it in India, levying duties from 500 to 1000 per cent. upon it for revenue, and withholding its supply from the frugal Hindoo, until he consented to any political or fiscal conditions rather than eat his humble rice without salt. In Ceylon the British Government did worse. "The tax on salt charged by the English Government was from 800 to 1000 per cent. above the cost of production. Ceylon abounds with salt; everywhere along the coast extensive formations of it are found."—*Marshall's Description and Conquest of Ceylon*. "The King of Kandy (the interior kingdom of Ceylon) offered a treaty to the English, who occupied all the maritime provinces, but they would not accept it, by which he was to trade to one, any one, part of the island, and obtain salt without being taxed. This refusal led to a Kandian war upon the English, who retaliated by stopping the supply of salt. The Kandians, who lived on a vegetable diet, always liberally salted before the English obtained the colony, resorted to the use of a deleterious root, as a substitute, to season their meals. Its effect was delirium and death, which spread through the whole Kandian nation. Their revenge was ample; a whole regiment and several detachments of English were betrayed and sacrificed in return, only two men escaping. Ultimately the British tax-payers at home had to bear the expense of other wars to avenge the disasters of the salt war, and submit, amongst many heavy taxes, to the grievous salt tax at home."—*Marshall*.

"In France, the code of laws for the collection of the salt tax were most oppressive before the first revolution. From 4000 to 5000 persons, it has been calculated, were sent annually to prison and the galleys for offences connected with these laws, the severity of which had no inconsiderable share in bringing about the revolution."—*Arthur Young's Travels in France*.

In Britain, duties upon salt were imposed in the reign of William III. In 1798

they amounted to 5s. a bushel, but were subsequently increased to 15s., or about forty times the cost of the salt. The opinion of the public having been strongly expressed against the tax, it was repealed in 1823. No statistics exist from which the benefits can be demonstrated arithmetically; but it is within the knowledge of almost every person that they are beyond expression in figures.

CANDLES.—This is an article which was relieved from excise duties in 1831. The duty was 1d. per lb. on candles made of tallow, and 3½d. per lb. on those made of wax or spermaceti. No alteration had taken place in the duties in the present century so as to afford proofs of increased consumption following reduction; and since the abolition of the duties we have no means of comparing the present with former consumption. Nor would it be conclusive if such comparison were made without a large allowance for the supersedence of candles in offices and workshops, and partially in dwelling-houses, by gas. But the least observant person may see how the manufacture of candles has improved of late years, new ingredients and new arrangements of old ingredients being made, which the excise laws prohibited from trial before the manufacture was free.

“During all the time that an excise duty was levied upon candles,” writes Mr. Porter, “it may be said that there was no improvement made in their quality; and it is probable that had the duty not been repealed, the regulations enforced by the revenue officers would have continued to prevent any such improvements. No sooner, however, were the manufacturers relieved from the restraints thus imposed, than their ingenuity was set to work, and each year that has since elapsed has produced one or more inventions or combinations whereby the essential good qualities of candles have been increased, and their cost relatively to their value in use diminished.”

SOAP.—Although there is still a duty on soap, with attendant restrictions, oppressive enough to arrest the progress of science in its manufacture and retard its consumption, such alterations have been effected as prove that free trade in soap would greatly extend its use, and greatly multiply the benefits which follow its liberal application in domestic economy. “The direct duty charged on hard soap,” Mr. McCulloch relates, “which is by far the most extensively used, amounted, till June, 1833, to 3d. per lb., or 28s. per cwt., while the price of soap rarely exceeded 6d. per lb., or 56s. per cwt., so that the direct duty was fully 100 per cent. ! But, besides this enormous duty, the substances of which soap is made, namely, tallow, barilla, and turpentine or resin, were respectively charged with duties of 3s. 4d. and 4s. 4d. per cwt.; and taking these indirect taxes into account, it may be truly stated that soap was taxed from 120 to 130 per cent. *ad valorem*. The imposition of so exorbitant a duty on an article that is indispensable to the prosecution of many branches of manufacture, and to the comfort and cleanliness of all orders of persons, was in the last degree inexpedient. There were good reasons, too, for thinking that, in consequence of the encouragement which this excessive duty gave to smuggling and fraud, the revenue it yielded was not much greater than it would be with the duty reduced to half its former amount.

“During the five years ending with 1832, the consumption of duty-paid soap was nearly stationary; though there can be no doubt, from the increase of population and manufactures during that period, that it would have been very considerably extended but for the increase of smuggling. This baneful practice is facilitated by the total exemption which Ireland enjoys from the duty; for it not unfrequently happens that the soap made in this country, and sent to Ireland under a drawback, is again clandestinely introduced into Great Britain.”

(To be continued.)

FINANCIAL REFORM TRACTS.

No. 34.

HISTORICAL REVIEW OF THE FISCAL SYSTEM.

SECTION XXIII.

(Continued from No. 33.)

BENEFICIAL EFFECT OF REDUCED OR REPEALED DUTIES UPON CONSUMPTION—SALT, CANDLES, SOAP, SUGAR.

Mr. M'Culloch proceeds to remark that he was not in favour of the abolition of the soap duty, though it would be a popular measure to repeal it, because a revenue must be raised in some way, and the best means appeared to be by a tax on articles universally used—a doctrine from which the Association entirely dissent; and he anticipated that the reduction of duty effected in 1833 would subvert smuggling. Mr. Porter, however, making use of official information and subsequent experience, tells the public that the contraband trade is still maintained. He says:—"The quantity of soap used domestically cannot be ascertained, because of its application to the manufactures of silk, woollen, cotton, linen (for all of which a drawback of the duty is allowed), and others for which no drawback is given; that it is, besides, impossible to make any true estimate of the quantity used generally, because of the intervention of the contraband maker." "It is known," he continues, "that frauds upon the revenue are thus committed to a great extent, not so much, perhaps, as was done before the reduction of the duty in 1833; but the degree in which the reduction of that duty was calculated to affect the fraudulent maker, by reducing his profits, has been since in part counterbalanced by simplifications in the process, which have lessened at once the expenses of manufacture and the chances of detection. That frauds, to a great extent, are committed by the surreptitious production of soap, may be believed from the fact that there are fifty persons in England who each take out an annual license, the charge for which is £4, and who do not pay duty to the Excise on a greater quantity than one ton in the course of the year, leaving room for suspicion that the license is used as a cover for fraudulent purposes. There are, besides, great numbers of persons who make soap secretly, and without taking out any license, and who, consequently, pay no duty whatever."

Mr. Porter next remarks on the impolicy of imposing a duty on an article so requisite to physical comfort and the moral health, which follows the physical, and particularly as it leads Government into a continuous warfare with petty offenders, in which Government is seldom the successful party. And then he says—

"The Excise regulations which, it may be presumed, are necessary for the protection of the revenue, so entirely prevent improvement in the processes, that the quality of soap made in foreign countries, where no such regulations are imposed, is invariably superior to that of English soap, and, unless to our own

colonies and dependencies, we cannot be said to have any export demand for British-made soap. We pay an import duty on the chief ingredient used in the manufacture, which is not returned on that part which is exported, and our duties are so regulated that our manufacturers are in a great degree restricted to the employment of a material which is not calculated to produce soap of the finest quality. The manufacturers of Marseilles use, almost exclusively, vegetable oil, while ours are chiefly restricted to the use of tallow, which produces an article so inferior in quality that the preference is given, in foreign countries, to almost any soap over that made in this kingdom; and this is especially the case where the article is used in manufacturing processes."—*Progress of the Nation*, p. 579.

Still, with all these disadvantages against soap-making, despite the use of substitutes, and despite the contraband trade, the amount of which is not known, the consumption of duty-paid soap has increased in proportion as the duty has been lowered, clearly indicating, in connexion with the large appliance of substitutes in the manufacturing processes of silks, cottons, woollens, and linens, that were the duty wholly removed, the trade free, the use of soap would extend rapidly and most beneficially. In 1821, when the duty on hard soap was 3d. per lb., and on soft 1½d., the quantity consumed per head of the population was 6.43 lbs.; and in 1831 it was no more than 6.23 lbs. But in the next ten years, ending 1841, the duty having been reduced in 1833 to 1½d. per lb. on hard, and to 1d. on soft (with all the disadvantages just detailed), the consumption rose to 9.20 lbs. per head.

SUGAR.—There is no certain account of the time when sugar was first brought to England, though it has been named by several writers; some saying the thirteenth, others the fourteenth, century. In the commercial history of the Venetians, a shipment of sugar to England is mentioned in 1319; but honey continued to be the sweetener of liquors and dishes for two hundred years afterwards, though small importations of sugar from Venice and other Mediterranean ports continued. Up to the seventeenth century the sugar brought to England was very inconsiderable, and was used only by the rich and luxurious. It was not till the latter part of the seventeenth century, when coffee and tea began to be used, that sugar was much in request.

The first duty imposed on sugar was in the reign of Charles II., and this was the "hereditary excise" of ¼d. per lb. In the year 1700 the consumption was 10,000 tons, the duty 3s. 5d. per cwt. In 1710, the consumption was 14,000 tons. Some small additions were made to the duty in the reign of George II. The consumption in 1734 had increased to 42,000 tons. In 1754 it was 53,270. In 1770 to 1775 it averaged 72,500 tons. Up to 1780 the duty was only 6s. 8d. a cwt.; but in the following year an addition was made, and in 1787 it was 12s. 4d. a cwt. From 1786 to 1790 the consumption averaged 81,000 tons a year.

In 1791 the duty was raised to 15s. The increasing demand for sugar, and the pressure at the Exchequer for money during the French war, drew the hand of Mr. Pitt heavily upon this taxable article. In 1797 the duty was raised to 17s. 6d., and two years after to 20s. a cwt. From the year 1800 the duty varied on the different kinds of sugar so fitfully, so capriciously, in the strife of monopoly, war, and war-taxes, that to relate all the changes would be to encumber the present statement with masses of figures. Suffice it to say, that the duty on British plantation sugar was declared to be stationary at 27s. per cwt. in 1826; but it was reduced to 24s. on West India, and 32s. on East India sugar, in 1830.

In the first twenty years of the century the consumption declined in proportion to the population, being, in 1801, 30 lbs. 9¾ oz.; in 1811, 29 lbs. 4¾ oz.; and in 1821, 19 lbs. 3¾ oz. per head for England and Scotland. In Ireland it was, in 1800, 6 lbs. 3 oz.; in 1810, 7 lb. 14½ oz.; and in 1820, 6 lbs. 4½ oz. per head.

"Of all the articles of consumption," says Mr. Porter, "which are not absolutely necessaries of life, sugar is, perhaps, that which in this country is the most easily acted upon by price." Referring to a table of prices and consumption, he continues—"If, by means of this statement, we have from year to year the fluctuations in price, we shall find that they are attended by corresponding fluctuations in the consumption, and that with a degree of regularity more like the operations of a piece of machinery than as resulting from circumstances affecting in such various ways and in such different degrees our numerous population. With one exception only, that of the year 1835, every rise in price has been

accompanied by diminished consumption, while every fall in the market has produced an increased demand. It will be remembered that the year 1835, in which there appeared some departure from the uniformity of this effect, was a year of great, of almost universal, excitement throughout the kingdom. Never before, perhaps, was there an equal number of public works in operation. Every man who was able and willing to work readily obtained employment, at full wages. Every loom was filled, every anvil was at work, and, to crown the advantages thus enjoyed by our labouring population, the chief necessaries of life were procurable at prices lower than had been previously known by the existing generation."

In this last observation it is seen that the year 1835 was not really an exception to other years. The ability of the people to buy sugar had risen proportionately higher than price; "yet," continues the statist, "even under these circumstances of comparative ease, the average consumption of 1835 did not attain the rate which it reached in 1830 or 1831, when the market price was from 8s. to 10s. per cwt. lower, but when the condition of the labouring population was not in other respects so prosperous as in 1835."

It should be remarked, however (which Mr. Porter omits to do), that at least one numerous section of the population were not in a condition to indulge in larger quantities of sugar in 1835, even if they did not abridge their usual enjoyment of it: that was the tenant farmers, with their households, whose prices for farm produce were low, while their expenses were fixed as in former years. It may be safely assumed that they were not more free with sugar, and that more preserves were not made from the fruit of their gardens that year, probably less. So that we come to the natural inference, that if the cheapness and abundance of sugar were alone the causes of increased consumption, such increase would be greater than when it depends on increase of means to purchase, the latter being attended with exceptions, of which the depression of tenant-farmers is one that has co-existed with the prosperity of other classes.

The price and consumption of sugar from 1830 to 1849 are shown in the following table. The consumption per head seems less than in 1801; but Ireland is now included, which was not the case then. The previous quotations of consumption per head shows the difference between Britain and Ireland in the use of sugar. Molasses are included in the following table, being reduced to a proportionate amount of sugar; 8 lbs. of molasses are assumed to be equal, on an average, to 3 lbs. of crystallized sugar. The prices do not include the duties:—

Years.	Sugar and molasses retained for home consumption.		Average price per <i>London Gazette.</i>		Average consumption.
	Cwts.		s.	d.	of each person. lbs.
1830	...	4,273,945	25	0½	19.94
1831	...	4,364,243	23	8	20.11
1832	...	4,187,135	28	8½	19.00
1833	...	4,021,595	29	7½	17.99
1834	...	4,154,411	29	2½	18.31
1835	...	4,421,145	33	9½	19.21
1836	...	3,922,901	40	9	16.58
1837	...	4,349,053	34	5	18.39
1838	...	4,418,334	33	7	18.42
1839	...	4,171,938	39	4½	17.16
1840	...	3,764,710	48	7½	15.28
1841	...	4,208,324	38	3½	17.65
1842	...	4,068,331	37	2½	16.76
1843	...	4,196,865	35	11½	17.11
1844	...	4,359,473	33	5	17.59
1845	...	5,091,304	32	9	20.33
1846	...	5,457,154	34	5	21.57
1847	...	6,045,121	28	3	23.64
1848	...	6,427,234	23	9½	24.88
1849	...	6,287,217	26	4	24.12

In 1850 the total importations of sugar, as published, were 6,286,031 cwts., of which there was taken for home consumption 6,112,321 cwts., being somewhat under the consumption of 1849.

The foregoing is Mr. Porter's table, upon which he remarks that "the yearly

consumption of each individual are average quantities, calculated on the assumption that the rich and the poor, the nobleman and the beggar, fare alike in their use of this condiment. It would be difficult to discover (he continues), with accuracy, the consumption of the various ranks into which the community is divided. There are, of course, many whose use of sugar is not governed by the market price, so far, at least, as any fluctuations which we have experienced would be likely to affect them. The outlay for this article forms so small a part of the household expenses of the easy classes, that whether the price should be sixpence or a shilling per pound might have no influence in increasing or diminishing its use. The decrease or increase of the quantity consumed throughout the country is, therefore, evidence of a very great degree of fluctuation in its use by all other classes."

It is supposed that in a family comfortably circumstanced 40 lbs. of sugar per head is consumed. In the navy the sailors are allowed 34 lbs. 3 oz. yearly; the aged paupers in workhouses 22½ lbs. yearly. In 1840 the average consumption was 15½ lbs., or 76½ lbs. for five persons, one of whom, taking the constant quantity of 40 lbs., left for each of the remaining four only 9 lbs. 1 oz. Applying the same calculation to the consumption of 1849, it will be seen that each of the four would consume 20 lbs. 2 oz.

The augmented consumption which has taken place since 1844 is attributable to the reduction in 1845 of the duties on sugar, the produce of foreign countries and of free labour, from 63s. and 5 per cent. per cwt. to 23s. 4d. per cwt. All differential duties (which are duties for the protection of colonial sugar-growers) are to cease in 1854.

All duties whatever on commodities will cease when the public become wise enough to understand the hurtful effects of indirect taxation.

SECTION XXIV.

BENEFICIAL EFFECT OF REDUCED DUTIES: POSTAGE

Of all the channels in which British enterprise and industry run, the Post-office is that which affords the most impressive evidence that taxes obstructive of enterprise and industry should be removed, and the revenue they yielded be taken from the income and property of the nation. The reduction of the Post-office taxes to a uniform rate of one penny in 1840, and the consequent diminution of revenue, was one of the reasons given for imposing an Income Tax in 1842. The Income Tax was unfairly apportioned; but that is a distinct question from the policy of substituting direct for indirect taxation. The Association will, in the present section, treat of that policy as regards the taxing of correspondence for the purposes of revenue.

In a previous section of their "Historical Review of the Fiscal System," the Association incidentally noticed that posts for the conveyance of intelligence were first established in England by a king to whom little good has been attributed—who, indeed, reigned too short a time to effect much—namely, Richard the Third. But it was not until the seventeenth century that the Government posts were used regularly by any portion of the public.

Blackstone, in his "Commentaries on the Laws of England," gives the following narrative of the institution of the Post-office. He had just been treating of the excise and the duties on salt, and proceeds:—

"Another very considerable branch of the revenue is levied with greater cheerfulness, as, instead of being a burden, it is a manifest advantage to the public; I mean the Post-office, or duty for the carriage of letters. As we have traced the original of the excise to the Parliament of 1643 (the Long Parliament), so it is but justice to observe that this useful invention owes its first establishment to the same assembly. * * * King James I. originally erected a Post-office, under the controul of one Matthew De Quester, for the conveyance of letters to and from foreign parts; which office was afterwards claimed by Lord Stanhope, but was confirmed and continued to William Frizell and Thomas

Witherings, by King Charles I., A.D. 1632, for the better accommodation of the English merchants. In 1635 the same prince erected a letter-office for England and Scotland, under the direction of the same Thomas Withering, and settled certain rates of postage; but this extended only to a few of the principal roads; the times of carriage were uncertain, and the postmasters on each road were required to furnish the mail with horses at 2½d. a mile. Withering was superseded for abuses in both his offices in 1640; and they were sequestered into the hands of Philip Burlamachy, to be exercised under the care of the King's Principal Secretary of State. On the breaking out of the civil war great confusions and interruptions were necessarily occasioned in the conduct of the letter-office. And about that time the outline of the present more extended and regular plan seems to have been conceived by Mr. Edward Prideaux, who was appointed Attorney-General to the Commonwealth after the murder of King Charles. He was chairman of a committee, in 1642, for considering what rates should be set upon inland letters, and afterwards appointed postmaster by an ordinance of both Houses; in the execution of which office he first established a weekly conveyance of letters into all parts of the nation, thereby saving to the public the charge of maintaining postmasters, to the amount of £7,000 per annum. And his own emolument being probably very considerable, the Common Council of London endeavoured to erect another post-office in opposition to his, till checked by a resolution of the House of Commons, declaring that the office of postmaster is, and ought to be, in the sole power and disposal of the Parliament. This office was farmed by one Mauley, in 1654. But in 1657 a regular post-office was established, by the authority of the Protector and his Parliament, upon nearly the same model as has ever since been adopted, and with the same rates of postage as continued till the reign of Queen Anne."—*Commentaries*, vol. i., p. 323.

In 1660, after the Restoration, the claim of members of Parliament to have their letters carried free was formally made; but, on the recommendation of the Crown, was withdrawn, upon a private assurance that this privilege would be conceded. Upon this warrants were issued to the Postmaster-General to carry their letters free on the election of a new Parliament, up to two ounces in weight. This system continued until the 4th of George III., 1764, when the privilege of franks was conceded to members of both Houses by Act of Parliament.

From the establishment of the Post-office by Cromwell, down to 1784, mails were conveyed, either on horseback or in carts made for the purpose; and instead of being the most expeditious and safest conveyance, the post had become, at the latter period, the slowest and most easily robbed of any in the country. In 1784 it was usual for the diligence between London and Bath to accomplish the journey in seventeen hours, while the post took forty hours; other roads were posted in like manner, which led to the Post-office being evaded.

Mr. John Palmer, of Bath, after much opposition, became the reformer of mail conveyances, after encountering the resolute opposition of the Post-office authorities. But he had the countenance of Mr. Pitt, who, at that time, was a zealous practical reformer, and succeeded; ultimately he became Controller-General of the Post-office. Through him the ordinary coach proprietors became contractors to carry the mails, and mail coaches were extended to all parts of the kingdom. Into most other departments of the Post-office he introduced exactness and order, and did more to popularise that great establishment than any other man before Rowland Hill. An ample memoir of Mr. Palmer will be found in Somerville's "*Biographical History of the Pioneers of Progress and Civilization*". The Scotch post-office was established on its present footing (excepting conveyance by railway and steam-boat) in 1710; but owing to the backward state of Scotland, the limited amount of its trade and population, and the extreme badness of its roads, it was very defective in most parts of the country till after the American war. It was not until Mr. Palmer's mail-coach system had been established that the first mail-coach ran from London to Glasgow, 7th July, 1788.

The rates of postage for letters in England from 1710 to 1765 were, for the conveyance of a single letter (other letters in proportion) for any distance not exceeding eighty miles, 3d.; for any distance above eighty miles, 4d.; between London and Edinburgh, 6d.; between London and Dublin, 6d.

In 1765 the rates for short distances were modified, and the charge for a distance

not exceeding "one post stage" (the length not specified) was made 1d., and for a distance above one and not exceeding two post stages, 2d.; the charge for greater distances remaining as before.

In 1784 an addition of one penny was made, and the rates for greater distances were altered thus:—Not exceeding one post stage, 2d.; above one, and not exceeding two, 3d.; above two post stages, and not exceeding 80 miles, 4d.; above 80, and not exceeding 150 miles, 5d.; above 150 miles, 6d.; between London and Edinburgh, and London and Dublin, 7d.

In 1796 another alteration was made, and the rates were—For any distance not exceeding 15 miles, 3d.; 15 and not exceeding 30 miles, 4d.; 30 to 60, 5d.; 60 to 100, 6d.; 100 to 150, 7d.; above 150 miles, 8d.

In 1801 the rates were again altered thus:—Not exceeding 15 miles, 3d.; 15 to 30, 4d.; 30 to 50, 5d.; 50 to 80, 6d.; 80 to 120, 7d.; 120 to 170, 8d.; 170 to 230, 9d.; 230 to 300, 10d.; and for every 100 miles additional, 1d.

In 1805 1d. additional was added to each of those rates, except for the "100 miles additional," which remained at one penny. In the early part of last century the rates of postage for Scotland were rather lower than in England; but they were soon after equalised. From 1812 an additional halfpenny was charged upon each letter, whether single or double, or heavier, passing between England and Scotland.

In Ireland the postage rates were altered in 1784, 1797, 1805, 1810, 1813, and 1814; but the charges being similar to those of England, they need not be given in detail here.

In 1827 the following scale was adopted for Great Britain and Ireland:—

Distance.	Single Letter.	Double Letter.	Treble letters or others under an ounce weight.	For every ounce weight, and for every packet not exceeding an ounce weight.
	s. d.	s. d.	s. d.	s. d.
If not above 15 miles	0 4	0 8	1 0	1 4
Above 15, & not exceeding 20 miles	0 5	0 10	1 3	1 8
20 to 30	0 6	1 0	1 6	2 0
30 to 50	0 7	1 2	1 9	2 4
50 to 80	0 8	1 4	2 0	2 8
80 to 120	0 9	1 6	2 3	3 0
120 to 170	0 10	1 8	2 6	3 4
170 to 230	0 11	1 10	2 9	3 8
230 to 300	1 0	2 0	3 0	4 0
300 to 400	1 1	2 2	3 3	4 4
400 to 500	1 2	2 4	3 6	4 8
500 to 600	1 3	2 6	3 9	5 0
600 to 700	1 4	2 8	4 0	5 4
700 & above	1 5	2 10	4 3	5 8

Packet postages were added to these rates between Scotland to Donaghadee, on the scale of fifteen miles by land, namely, 4d. for a single letter; between Milford or Holyhead and Ireland, half that rate, being 2d. for a single letter; between Liverpool and Ireland, the rate of from fifty to eighty miles by land, or 8d. for a single (provided no letter sent by way of Liverpool was chargeable with a higher rate of postage than if sent by Holyhead). Additional charge of 1d. on single letters, and so on with others for Menai Bridge, if crossing the Straits; and the like addition of 1d. &c., for Conway-bridge, if passing Conway Water. All these packet and bridge charges were made in addition to the land distances and rates. And for any weight of letter or package above an ounce, the postage was in proportion.

Any package franked by a peer or member of Parliament, or "on service" from a Government office, up to a fat buck, horns and all, or a piano-forte, passed free. Letters containing one enclosure, and not franked, were chargeable with two single rates; containing more than one enclosure, and not exceeding one ounce, three single rates. Letters exceeding one ounce, whatever the contents, were charged four single rates; and for every half-ounce above that weight an additional single

rate was charged. Letters from soldiers and sailors, if franked by commanding officers, and to soldiers and sailors, if pre-paid and single, were charged one penny only.

In some towns a penny post had been established for many years; in London a twopenny post had existed from the reign of James I., with some occasional modifications as to distance; latterly, it extended three miles round the General Post-office.

The additional charges for postage during the present century did not bring in the expected revenue, nor did the increase of letters bear a due proportion to the growing population.

In defence of the excessive postage tax it was contended, that the charge was incomparably less for carrying a letter between distant places than the cost would be if the writer carried it himself—and this reasoning was long admitted to be conclusive. In 1836 Mr. Rowland Hill, a young barrister, of London (member of a family somewhat remarkable for the practical talent of several of its sons), turned his attention to the question of postage rates. He published a pamphlet advocating a universal penny postage, with various accompanying reforms. It was read by the public as a pleasant sketch of some utopian dream, never to be seen but in the pages of a book. But as it contained calculations of so simple a nature that any mind could comprehend them, people began to examine and repeat them, and observe that they were faultless. By Mr. Hill's figures it appeared that the actual expense to the Government for conveying each letter between the most distant points of the kingdom was only a fractional part of a farthing, and that to charge, as in many cases was done, more than 480 times the actual cost, was equivalent to the imposition of a heavy tax upon communications of all kinds, whether carried on for purposes of business, or for gratifying the sympathies of family affection and friendship.

In a short time numerous petitions were presented to Parliament in favour of Mr. Hill's suggested system; a committee of bankers and merchants was formed to press it upon the Legislature; and a committee of the House of Commons (in which Mr. Robert Wallace, then member for Greenock, gave most zealous and efficient service) reported favourably on the scheme, though not with unqualified approbation. Public opinion, however, ran so strongly in one current that Government was carried beyond the recommendation of the committee. In the month of August, 1839, an Act was passed sanctioning the reduction of rates of inland postage to one uniform rate of a penny on every letter of a given weight, with a proportionate increase for greater weights, and giving authority to the Lords of the Treasury to carry this change into effect by such steps as they should think advisable.

Under this Act a Treasury order was issued on the 12th of November, 1839, directing that all letters should be charged by weight, instead of according to the number of sheets or enclosures, as was practised under the former law, and directing that on and after the 5th of December in that year the single postage rates between places in the United Kingdom which exceeded fourpence should be reduced to that uniform rate. On the 10th of January, 1840, the uniform rate of one penny per half-ounce came into general operation, and on the 6th of May following prepayment by the use of stamps was begun.

The letters passing through the Post-office in 1839 (the last year of high postage), and in each year up to 1849, were as follows:—

1839.....	82,470,596	1843.....	220,450,308	1847.....	322,146,244
1840.....	168,768,244	1844.....	242,091,685	1848.....	328,829,185
1841.....	196,500,191	1845.....	327,410,793	1849.....	337,065,867
1842.....	208,434,451	1846.....	299,586,763		

From the foregoing figures it is seen that the per centages of increase rose from 104 in 1840, to 308 in 1849; and there is no doubt that in 1850 the progress was in the same proportion. It was calculated several years ago that the revenue under the penny postage would be as much in 1850 as it was under the old system of high postages in 1839. It has not quite, but approximately, come up to that sum. In 1839 the gross receipts were £2,212,784; in 1850 they were £2,165,349. But the increase of correspondence has naturally added to the cost of management. The deficiency of revenue, however, is immaterial to the public, compared with the advantages of cheap postage.

SECTION XXV.

EFFECT OF DUTIES REPEALED OR REDUCED UPON CONSUMPTION:
ALMANACKS; PAMPHLETS; NEWSPAPERS; PAPER.

One of the articles taxed for revenue, and which expanded in proportions amazing to everyone on being liberated from taxation, was the almanack. This species of book was burdened with a duty of 1s. 3d. up to 1834, in which year the duty was repealed and the almanack trade left free. This was not agreeable to the proprietors of some old-established publications of that kind, such as Moore's, the property of the Stationers' Company, who believed in the principles of monopoly. But what was the result? Though no fewer than two hundred new ones were started immediately on the repeal of the duty, of some of which a quarter of a million copies were sold, "Moore's Almanack" for 1835—the first year of free printing—doubled the sale of previous years! (*Excise Inquiry*, quoted in "Porter's Progress"). And all the old ones stood their ground, most of them enlarging their sale.

PAMPHLETS.—It was enacted by the Act 10 Anne, c. 19 (the same which imposed a duty on paper to raise money to carry on the war), that no person shall sell, or expose to sale, any pamphlet, without the name and place of abode of some known person by or for whom it was printed or published, written or printed thereon, under a penalty of £20 and costs. And it was enacted by the 55 George III., c. 185, that every book containing one whole sheet and not exceeding eight sheets in octavo, or any lesser size, or not exceeding twelve sheets in quarto, or twenty sheets in folio, should be deemed a pamphlet. The same Act imposed a duty of three shillings upon each sheet of *one* copy of all pamphlets published. This duty, which was at once vexatious and unproductive, was repealed in 1833.

NEWSPAPERS.—"Owing to the great craving of the people for information upon political subjects," writes Mr. Porter, of the Board of Trade ("Progress of the Nation," p. 725), "during the agitation which accompanied the introduction and passing of 'the Reform Bill,' a great temptation was offered for the illegal publication of newspapers upon unstamped paper, many of which were sold in large numbers, in defiance of all the preventive efforts made by the officers of Government. The stamp duty of 4d upon each sheet" (it was 4d., less 20 per cent., upon all papers not sold at above 7d. each) "placed the legally-published journals beyond the reach of the working classes, who eagerly availed themselves of the low-priced papers offered, and which, however inferior they might be in every quality that should attend them, gave or professed to give the information that was so eagerly sought. * * * And as it was felt to be impossible to put down the illegal publications without having recourse to a system of harshness that might produce even more violent and more widely-spread feelings of dissatisfaction, the Government wisely gave way, and effectually and at once put an end to the illegal publications by reducing the duty from fourpence to a penny per sheet. This measure was announced in the House of Commons in March, 1836, and the Act by which it was sanctioned passed in the month of August following."

Those who were acquainted with the unstamped newspaper war maintained for several years between the Government and the illegal publishers, know that no law existed which was not enforced; that the large powers given by law to the revenue officers were rigorously applied; that printers' types, presses, and other stock-in-trade, were seized by armed forces of police and military, and destroyed, and the printers thrown into prison; that the prisons in London and the provincial towns, particularly Manchester, Liverpool, Leeds, Hull, Birmingham, Bristol, Edinburgh, and Glasgow, were seldom untenanted by some of the persons called the "victims of the unstamped;" and that even women and very young persons (as in the case of Mrs. M., of Leeds) were put in prison for *selling*, by retail, papers without a stamp. It might be right to endeavour to protect the fair trader, or it might be wrong to prosecute as Government did; but right or wrong, the Government of that day went to the utmost rigour of the law, and is entitled to no credit in the pages of financial history for leniency. All law, legal devices, severity, even the stretching of law until the Government barely kept within it, failed to repress the adven-

traders in unstamped newspapers. Nothing succeeded but the reduction of the stamp from 4d. to 1d., and that was forced upon Government. There is no ground for believing that it was a desire to reduce the luxury or benefit of a newspaper to the poor that induced the Ministers of the day to make that change. It was to put down a contraband trade. The result has been so beneficial, that the public might be pleased to have all other smuggling put down by a similar policy.

The circulation of stamped newspapers has greatly increased since the reduction of the duty. Dating from 1801 there had been a considerable increase before the reduction, but not more than might have been expected during a period when the appetite for news was whetted by the events of fifteen years' war, concurrently with the free circulation of money among the wealthier classes, and by the general increase of wealth and population over the whole period of thirty-six years. The number of stamped copies published were—

1801.....16,085,085	|	1821.....24,862,186
1811.....24,241,713	|	1831.....35,198,160

In 1836, the last year of the fourpenny stamp, 35,576,056; 1837, the first year of the penny stamp, 53,496,207, being an increase of nearly eighteen millions in one year, while during the previous five-and-twenty years the entire increase had been not quite 11½ millions.

The subsequent increase has been as follows:—

1838.....53,347,231	|	1842.....61,495,503
1839.....55,891,003	|	1843.....65,767,035
1840.....60,922,151	|	1844.....71,222,498
1841.....59,936,397	|	1849.....89,346,010

No later return than 1849 has yet been published.

PAPER.—The reduction of the newspaper stamp from fourpence to a penny, and the removal of stamp duties from almanacks and pamphlets, had some influence on the consumption of paper. But the reduction of the excise duty on paper had also some influence in promoting its use. Still the duty is disproportionately high compared with the material from which paper is made. In one of the sections on indirect taxation, the evil effects of the excise regulations on paper were explained. The Association need not repeat their remarks here; they only refer to paper at present in so far as it, like every other commodity, rises into use, and becomes adapted to the wants of mankind, in proportion as it is reduced in price—lightened of its fiscal burdens. Mr. Porter writes (*"Progress of the Nation,"* p. 576)—"The duty on paper was first imposed in 1711 by the Act 10 Anne, c. 19, which recites as a reason for the tax 'the necessity of raising large supplies of money to carry on the war;' and surely it required a case of strong necessity to justify the imposition of a tax which tended so directly to impede the progress of knowledge among the people."

Mr. M'Culloch, writing before the duty was reduced in 1836 (*"Commercial Dictionary"*), said—"It is difficult to say whether the duty on paper, or the regulations under which that duty is collected, be the more objectionable."

Sir Henry Parnell (late Lord Congleton), in his work on Financial Reform, said—"This places a great obstacle in the way of the progress of knowledge, of useful and necessary arts, and of sober, industrious habits. Books carry the productions of the human mind over the whole world, and may be truly called the raw materials of every kind of science and art, and of all social improvement."

The Association having frequently quoted Mr. M'Culloch as an authority, think it necessary to observe here, lest some should refer to that writer's opinion in his *"Treatise on Taxation"* against the abolition of the paper-duty, that he has been quoted for his statistics, not for his opinions. Having of late years undertaken the defence of indirect taxation, and the fiscal system as it is, the Government included (which, perhaps, in personal gratitude he feels bound to do), he writes of the paper-duty thus (*"Treatise on Taxation,"* p. 244):—"If the duty is to be kept up—and we see no good reason for its repeal—it is now probably as moderate and as fairly assessed as can well be desired." But in the edition of the *"Commercial Dictionary,"* 1835, he wrote:—"Though it were possible to assess and collect the

duty so as to prevent fraud without interfering with the manufacture, we should very much doubt, considering the purposes to which paper is applied, the policy of subjecting it to any duty whatever." And again he said—"The duties, varying as they do from 30 to 200 per cent. *ad valorem*, are quite exorbitant; nor can there be a doubt that they would be more productive were they adequately reduced and assessed on reasonable principles. But, as we have shown in the article *Books*, it is not possible to lay a duty on the paper intended to be used in printing without committing injustice. No one can foretell, with anything approaching to certainty, whether a new book, or even a new edition of an old book, will sell; and the fact is, that one-third of the books and nineteen-twentieths of the pamphlets published do not pay their expenses. Now we ask whether, under such circumstances, anything can be more obviously unjust, more utterly subversive of every fair principle, than the imposition of the same heavy taxes upon all publications—upon those that do not sell as well as upon those that do? * * * Such is the encouragement given to literature, such the facilities afforded to the diffusion of useful information, by the popular Government of England! * * * Even this is not the whole injury done; for upon an advertisement announcing the sale of a sixpenny pamphlet as heavy a duty is charged as if it announced the sale of an estate worth a hundred thousand pounds!"—*Commercial Dictionary*, pp. 877-8.

If Mr. M'Culloch's opinions are worth anything, those in the "Commercial Dictionary," published before the author was placed on the pension list, should outweigh those published since that incident of his literary life. But, as already said, Mr. M'Culloch is quoted for his statistics, when these are confirmed by other statistics, not for his opinions; though it would be difficult to find better arguments for the abolition of the duties on paper and advertisements than those urged by him in the passages just cited.

Previous to 1836 the duty was 3d. per lb. weight on first-class paper, and 1½d. on second-class, if made of tarred ropes; 2½d. on millboards, scaleboards, and the like, if made of the same material as second-class. All writing, printing, coloured, and wrapping papers, also pasteboards, and cardboards, were of the first-class, if not made of tarred ropes. In 1836 the restriction was removed so far as the ropes formed an element in paper; and the duty was reduced to 1½d. per lb. weight indiscriminately. On the one hand, various restrictions on the manufacturers were removed, and so far relief was afforded to the trade by the placing of all kinds of paper and boards in one class. But, on the other hand, this allotted a most unequal duty to the different qualities of paper, which are sold by weight; the difference being from 10 to 100 per cent. on fine writing and coarse strong wrapping paper. It was affirmed by paper-makers, at an interview with the Chancellor of the Exchequer, early in the present year, 1851 (Mr. Towle, of Oxford, being spokesman on that point), that a strong paper could be made from straw suitable for many purposes of daily trade, but that the straw which the farmer would sell at 30s. a load, and think himself well paid for, would be burdened with an excise duty of £10. This duty precludes the use of straw for paper-making. But the case of the shipowner underlaying the sheathing of his vessels with paper, is not less noticeable. The worn-out rigging of one vessel may have been sent to the paper-mill to be converted into the coarse paper required for the sheathing of another; if so, the duty of 1½d. per lb. is equal to 200 per cent. upon the value of the materials.

Still, with all those serious disadvantages remaining, the reduction of the duty on first-class papers in 1836 produced a marked advantage to the public. In 1835, the year before the duty was lowered, the paper which paid duty was 74,042,650 lbs., being about four million lbs. more than in the previous year; while in 1837, the year after the duty was lowered, the consumption was 88,950,845 lbs., being nearly fourteen millions of increase over 1835. At the end of five years of reduced duty—namely, in 1842—the consumption had reached over 96½ million lbs. In 1845 it was 124½ millions; and in 1849 (the last year of which the returns are yet known) it exceeded 132 million lbs.

The price per ream of one particular kind of printing paper has decreased in price from 36s. in 1801, and 40s. in 1808, to 27s. 6d. in 1821, 24s. in 1831, 17s. in 1841 and 15s. 6d. subsequently. This alteration in price is the result chiefly of inventions and discoveries in mechanics and chemistry.

LEATHER.—The duty on leather was imposed by the Act 9 Anne, c. 11, to raise money, like many others of that period, "to carry on the war." It was three-halfpence per lb., and so remained to 1812, when the necessities of another war induced its augmentation to threepence per lb. It continued at that rate until 1822, when it was reduced to three-halfpence. In 1830 it was abolished, and the leather trade set free. The revenue collected when the tax was threepence amounted to £600,000; when it fell to three-halfpence the revenue was £400,000. This would indicate either that some increase in the use of leather had followed the fall of duty, which many persons have doubted, or that leather which under the high rate evaded the duty paid it under the low rates. Sir R. Peel was one of those who doubted whether the consumer of leather had derived a benefit, even by the total abolition of the duty in 1830; he thought the benefit went to the monopolist seller of hides in the same market, owing to the high duty on foreign hides, which was 4s. 8d. per cwt. for those not in any way dressed, if dry; if wet, 2s. 4d. per cwt. He said, at the introduction of his new tariff, March 11th, 1842—"I do not know but that in respect to leather the reduction of that tax took place (in 1830) without public benefit. I fear that the full amount of the advantage did not go to the consumer. You did not adopt a measure you ought to have adopted with the reduction of the tax—a reduction of the duty on the importation of foreign hides; I fear that in this instance you reduced a duty which benefited the monopolists."

This may account for the allegation that boots and shoes were no cheaper after the excise on leather was removed than before. But though that might be true, the leather manufacture improved under freedom; and when the supply of untaxed hides was enlarged by Sir Robert Peel's tariff, its improvement in quality and extent of production became so marked that no one remains ignorant or doubtful of the fact.

Mr. M'Culloch estimates that the leather manufactured in 1844, the year before his "Treatise" was published, amounted to seventy million lbs.; whereas, previous to the repeal of the tax in 1830, the amount of leather consumed was fifty-two million lbs. There are no certain data upon which to estimate the increase since 1844, but notwithstanding the application of other substances to some former purposes of leather (as gutta percha to mill-banding, &c.), there is no reason to doubt that the consumption is annually enlarging in a ratio which it could not have enlarged in had hides and leather still been taxed.

SECTION XXVI.

EFFECT OF DUTIES REDUCED OR REPEALED—GLASS.

Of all the articles of British manufacture yet named by the Association in proof of the impolicy of indirect taxes and of revenue laws restrictive of industry, none stands witness in greater force, or with such irrefragable facts, as the article of glass.

Oppressed by heavy duties, hedged in and restricted by excise laws from partaking in any degree of the improvements common to science and free manufactures, glass lingered behind all industrial arts and, population compared, was less in use in 1844, the year before its emancipation, than it was sixty, seventy, or eighty years before. But mark the amazing results of its freedom! After three or four years of probation, during which the manufacturers were uncertain to what point to direct their enterprise first—not knowing where, when, or in what manner the public wants, or desires, or tastes, would be first manifested,—unused to move in their own workshops without permission, and hardly assured of their safety to work as they pleased,—yet during those years of probation they were gradually enlarging their experiments, gradually extending their successful trials of skill; and behold! an Industrial genius presents himself to the nation's eye: with what?—with a mysterious wand, like the enchanters of old? No; but with a pen, upon a piece of blotting paper! He sketches the "Palace of Glass," in which an assembly of the world is to be held, unrivalled in all the history of the world

before. The genius has hardly finished his sketch and held it up, bidding the nation look—the nation's eye has hardly compassed its magnitude—when, lo! the structure arises, amazing in its vastness as in its almost magical rapidity of completeness! But what would have been the fate of Paxton's design for a palace of crystal, had the excise duties still burdened the price of glass?—had the excise laws still restricted the ingredients, the qualities, the dimensions, the hours of making, the manner of working the materials of the crystal edifice? It would have remained a sketch on blotting paper; or, still more likely, would never have been sketched at all. The genius of a thousand Paxtons, with the friendly approval of the Queen and Prince, the Royal Commission, and Paxton's princely master, the Duke of Devonshire, to boot, would not have reared that crystal palace with the excise upon the glass. And that not reared, the many structures of a like material which will now follow, and by which glass must become a manufacture at once universal, *utile*, and elegant—boundless in its extent to present comprehension—such structures, such an extension of crystal manufactures, would never have been dreamt of. The only dreaming of the glass manufacturer would have been of the nightmare—the heavy excise which so long sat upon his breast and held him on his back, powerless to rise! This product of national industry is sufficiently interesting to require a somewhat lengthened notice.

“By some fortuitous liquefaction,” wrote Dr. Johnson (“Rambler,” No. 9), “was mankind taught to produce a body, at once in a degree solid and transparent, which might admit the light of the sun and exclude the violence of the wind; which might extend the sight of the philosopher to new ranges of existence, and charr him at one time with the unbounded extent of the material creation, and at another with the endless subordination of animal life; and, what is yet of more importance might supply the decay of nature and succour old age with subsidiary sight. Thus was the first artificer in glass employed, though without his knowledge or expectation. He was facilitating and prolonging the enjoyment of light, enlarging the avenues of science, and conferring the highest and most lasting pleasures; he was enabling the student to contemplate nature, and the beauty to behold herself!”

The art of glass-making is one of easy acquirement and convenient practice, now that it is free from legal restrictions. The first plates of glass manufactured in England were made in Lambeth by Venetian artists, brought to this country under the protection of the Duke of Buckingham in 1673. The British Plate Glass Company was incorporated in 1773, when it erected the spacious works at St Helen's, Lancashire, where the manufacture was at first conducted by workmen from France, whence we had derived our previous supplies of plate glass. But that which is now made in Lancashire is superior to any imported from the Continent.—(*M'ulloch*.) The excise regulations were numerous and complex in the extreme, and enforced under heavy penalties. A few of the leading regulations may be recited.

All glass-makers had to take out a license, renewable annually, which cost £20 for each glass-house. They were to make entry at the next excise-office of all work-houses, furnaces, pots, pot-chambers, annealing arches, warehouses, &c. under a penalty of £200. No pot was to be charged without giving twelve hours notice in writing for the time of beginning, the weight of metal and species of glass on pain of a £50 fine—a regulation as effective to prevent, as any that could have been devised with the direct intention of preventing, new or improved products in the manufacture. If, after notice given, and a gauge taken by the officer, any material or any preparation were put into any pot (for an experiment or otherwise) a penalty of £50 was incurred; if the manufacture was flint glass, £200. Manufacturers of flint glass were allowed three hours for beginning to charge their pots after the time specified in their notices. Entries of the quantities made were to be made in writing, upon oath, and the duties paid monthly, if in London; every six weeks in the country. Duty upon materials lost or spoiled was allowed for, on proof being made of the fact. Officers at all times, by day and night, had access to work-houses, &c., to gauge the materials and mark the pots as they thought fit. Any attempt to obstruct the officers so employed incurred a penalty of £200. To counterfeit, alter, or efface, any mark made by the officers incurred a penalty of £500; a penalty of £200 being also inflicted on anyone conniving at or procuring its being done. The whole of the metal intended to be made into common glass

bottles was to be worked within sixteen hours next after the same should be begun; and when the bottles were deposited in the annealing arches, manufacturers were again, in the presence of the officer, to charge each pot with fresh materials, other than broken glass, not less than fifty pounds weight; and declarations were to be delivered in writing of the number of such bottles, on penalty of £100.

Manufacturers of bottles were to affix proper hooks, or staples, with scales and weights, to be approved of in writing by the surveyor or supervisor, under a penalty of £50; the using any false or insufficient scales or weights in the weighing of bottles incurred a penalty of £100. Notices were to be given for drawing out bottles, but only between eight o'clock in the morning and six in the afternoon. No crown glass, or German sheet glass, or broad or spread window glass, was to be made of greater thickness, excluding the centre or bullion, and the selvage or rim thereof, than one-ninth part of an inch, unless notice had been given that it was intended to manufacture the metal into plate glass, and the duty on plate glass had been paid thereon.

The regulations relating to the exportation of glass, entitling to a drawback of the duty, were not less vexatious, but they were far too lengthy to be quoted here. In a speech delivered by Mr. Poulett Thompson, in the House of Commons, 26th March, 1830, on the question of taxation, the evil operation of the glass duties were thus sketched:—

“The gross duty on glass, for the year 1828, amounted, in Great Britain, exclusive of Ireland, to £950,103, and the net duty to £586,770, the difference being either returned or sacrificed in the collection. I would entreat the House to remark that for such a sum as £500,000, a charge of collection on nearly £1,000,000 is incurred. * * * The House will observe an admirable illustration of the effect of duties on consumption, and, consequently, on revenue. In 1794, the last year in which the duty was £1 1s. 5d. per cwt. for plate and flint, and for other kinds in proportion, the quantities paying duty were as follow:—Flint and plate, 67,615 cwts.; broad, 20,607; crown, 85,940; and bottle, 227,476 cwts. The duties were successively raised to £2 9s., and at last by Mr. Vansittart, in pursuit of his favourite theory, in 1813, to £4 18s. ! and let us see the result. In 1816 the consumption had declined to—plate glass, 29,600; broad, 6,140; crown, 55,502; and bottle, 155,595 cwts. In 1825 Government saw a part of their error, and reduced the duty by one-half, still leaving it too high; but mark the effect. In 1828, the last year for which I have the returns, the consumption rose to—plate glass, 68,134; broad, 6,956; crown, 90,603; bottle, 224,864 cwts. Still, however, only about the same as in 1794.

“It appears, therefore, that notwithstanding the increase of population and general luxury, the consumption has been kept down by your improvident system, and is actually now less than it was thirty-five years ago. But here again (Mr. Thompson had referred to the vexatious revenue laws, which deranged other manufactures) the duty is far from being the greatest evil. Let anyone turn to the Act; he will find thirty-two clauses of regulations, penalties, and prohibitions, all vexatious to the manufacturer, and all to be paid for by the public. I have said the duty on flint glass is sixpence per pound, the glass, when made, selling for one shilling. But the excise officer has the power of imposing the duty either when the glass is in the pot, at threepence per pound, or after it has been turned out at sixpence, the glass, when turned out, gaining 100 per cent. It is found more advantageous to the revenue to exact the duty on glass in the pot, at threepence; and in this way the duty is raised to sevenpence. Nor is this all. The manufacturer is driven by this method into the necessity of producing frequently an article which he does not want. He makes the fine glass from the middle; the coarser from the top and bottom of the pot. He frequently wants only fine glass, and he would remelt the flux of the coarser parts if he had not paid duty upon it; but, of course, he is unable to do so. All the glass manufacturers whom I have consulted agree that the whole cost of the excise to the consumer—besides the duty, which is 100 per cent.—is 25 per cent.; and, besides, there is great inconvenience and oppression from the frauds that are daily taking place. Our manufacturers could advantageously cope with foreigners, were it not for the duty imposed by the Government. Labour is as cheap in this country, our ingenuity is greater, and the materials are also as cheap; it is, then, the vexatious onerous

duty alone that gives the foreign manufacturer the advantage over the English. But the effect of the duty goes further; it operates against all improvement in the article, because, to improve, experiments must be made; but a man with a duty of 125 per cent. over his head is not likely to make many experiments. This argument applies especially with regard to colours. A manufacturer has assured me that he has never been able to produce a beautiful red, because the duties have prevented his trying the necessary experiments without his incurring a great risk or loss. Thus, a miserable duty, amounting to only £500,000, and upon which a charge of 10 per cent. is made for collecting, is allowed to impede our native industry, to put a stop to all improvement, and to be a source of endless oppression and fraud. I really cannot believe that the Legislature will resist such an appeal as the manufacturers of this article could make to them, or refuse to relieve them from this gratuitous injury."

For the sake of that "miserable duty" the injustice continued for fifteen years, despite Mr. Poulett Thompson's reformatory efforts to have it abolished during nine years that he was officially connected with the Government. In 1835 he succeeded in reducing the duty on flint glass two-thirds, which, says Mr. Porter, "was followed by a great immediate increase of consumption of that kind." The increase was from 43,936 cwts. in 1835, the last year of the high duty, to 86,866 cwts. in 1836, the first year of the low duty. In subsequent years these last figures were not quite maintained; still the increased consumption was more than double the average of the previous twenty-three years, dating from 1812. In that year the consumption of flint glass was 60,248 cwts.; but the increased duty of that year, to raise revenue for the war, reduced the amount to 28,902 cwts. in 1813. In 1816 it was only 25,959 cwts. It varied up to 35,000, at which it stood in 1825, when a reduction of duty was effected, and rose, by influence of that low duty, full 10,000 cwts. in 1826, the disasters and depression of trade in that year notwithstanding. Mr. Porter writes—

"The effect of enhancement of price upon the home consumption of any article not of absolute necessity is made sufficiently striking by the fact that, in 1801, with a population of sixteen millions, it was 325,529 cwts.; and in 1833, with a population of twenty-five millions, the quantity was no more than 363,468 cwts.—an increase of less than one-eighth, while the population had increased in the proportion of one-half."

Taking a wider space of time, namely, from 1789 to 1834, the year before the duty was reduced by Mr. Poulett Thompson, Mr. Porter shows that while the population had increased nearly 80 per cent., the consumption of most kinds of glass had positively decreased. Moreover, this had occurred although the cost of production, by discoveries in chemical and mechanical science, had been reduced 25 per cent. "If," says he, "the first and last years of this series are compared, it will, indeed, appear that there is an increase of rather less than 24 per cent.; but by taking an average of the three years from 1789 to 1791, and from 1832 to 1834, it will be seen that the annual consumption in the former period was 362,691 cwts., and in the latter period 342,172 cwts., exhibiting an actual falling-off to the extent of $5\frac{1}{2}$ per cent." Mr. Porter also relates that—

"A manufacturer who, by his skilful combinations, had succeeded, a few years since, in making great improvements in the quality of bottle glass, was stopped in his operations by the excise officers on the plea that the articles which he produced were so good in quality as not to be readily distinguished from flint glass, to which description a higher rate of duty attached; the danger to the revenue being that articles made of the less costly and less highly taxed ingredients would be used instead of flint glass."—(*Progress of the Nation*, p. 259). He goes on to show that as foreign makers were permitted by their respective Governments to make any experiments for improvements, many articles of the finer kinds of glass were imported into this country, notwithstanding the heavy rate of duty laid on them at the custom-house. "Among these," he continues, "may be mentioned glass for optical instruments, which has hitherto been almost wholly imported, because the regulations enforced by the excise office have prevented the carrying forward of processes necessary for imparting to it that property upon which its excellence must altogether depend."

"There was yet another reason," he continues, "for abandoning the duty upon

ome-made glass. The ingredients of which glass is composed are exceedingly cheap, and the art is at the same time so simple, and calls for the use of so few accessories, that it can be successfully followed by almost any person of ordinary aptitude for manual operations, working with simple and uncostly implements. The facility with which glass can be made upon a small scale is greater now than formerly, and is continually increasing, through the advance of chemical knowledge. In former times the preparation of alkalies used for the manufacture required premises of considerable dimensions; but the alkali now abundantly obtained from common salt is admirably qualified, by its purity, for the purpose; and it is well known that flint glass was fraudulently made in great abundance in small attics and cellars, to the injury alike of the revenue and the fair-dealing manufacturer."

The allusion to common salt reminds us of the great gain to domestic economy and manufactures, from that article being emancipated from the excise tax. The duty on glass was abolished in 1845, upon which Mr. Porter remarks—

"Thenceforward the manufacturers of glass, in all its forms, were relieved from the payment of duty, and from the interference of revenue officers. Of the advantageous result of this measure there cannot exist any doubt whatever. The manufacturers immediately reduced their prices, in all cases, to the full amount of the duty, and in many cases beyond it; and it may be confidently predicted, that through the employment of this beautiful material for objects which its price formerly forbade, the manufacture must experience a great, immediate, and permanent extension."—(*Progress of the Nation, Third Edition, p. 257*).

And this they are now doing. Excellence and beauty are now allied to largeness—which promises soon to be vastness—of production and industrial employment.

SECTION XXVII.

DUTIES REDUCED ON SPIRITS, WINE, AND OTHER LIQUORS: THEIR EFFECT ON TRADE AND ON MORALS.

"The history of the duties on spirits," says Mr. M'Culloch ("Treatise on Taxation," p. 341), furnishes equally conclusive evidence of the superior productiveness of reasonable duties, and of the loss of revenue, smuggling, and other pernicious consequences, that inevitably follow every attempt to carry them beyond their natural limits." The Association are aware that serious objections may be raised against any financial change which would lessen the cost of intoxicating drinks. But is it a fact that the easy acquisition of such drinks increases their consumption? or is it a fact that high duties make them difficult to be obtained? In the first place, the classes of people whose means would best afford such drinks are not those who make a free use of them. Second: when the classes of people who use such drinks most freely are in receipt of the best wages, they do not spend their money on stimulants to the same extent as in times of bad trade, depression, and poverty. Third: high duties afford a bonus to the smuggler; and the testimony of all observers proves that there is more intemperance connected with smuggling, and the use of smuggled liquors, than when liquors are openly purchased in regular trade. And further: any duty on stimulative drinks affords a premium to the adulterator, by which all that is inherently bad in the use of such liquors is increased manifold. This last proposition the Association have dealt with at length in their Tracts on Indirect Taxation, to which they refer for arguments and proofs. So, also, the first proposition—that it is not the possession of means to procure strong drinks that induces to their use. The second is proved by the revenue returns quoted by Mr. Porter, showing that the revenue derived from strong drinks does not decrease in times of depressed trade and low wages. In speaking of the advantages of cheap provisions, he says the wages of the labourer, after procuring bread, leads him to an indulgence in coffee, tea, and sugar, and that "his family partake in the sober gratification. On the other hand,

it will often happen that when the power of buying these things is not enjoyed, the small sum that can still be spared after the purchase of his loaf is bestowed in procuring that stimulating draught which is then more than ever desired, and the man is driven from his cottage to the public-house. We may thus reconcile the apparent anomaly which has been so often remarked—that the excise revenue maintains its level during even lengthened periods of distress." ("Progress of the Nation," p. 552.) At page 309, speaking of the formation of the Ulster Canal through an inland district of Ireland, he says:—"During its progress this work proved a great blessing to the district through which it passes: it gave constant employment, at fair wages, to a great number of labourers, and was the means of reclaiming many among them from those habits of reckless indifference, and that passion for ardent spirits, which are so fatal to the happiness of the working classes of Ireland. With the power of saving out of their wages the habit has arisen. The whisky-shop has been abandoned, and several among those who were first employed laid by money," &c. Ireland affords further evidence of the same fact (that poverty rather than abundance leads to intemperance), which Mr. Porter has not quoted. It is this—that the first general appearance of pledge-breaking, after the great efforts of Father Mathew, took place, not in the comparatively abundant years 1844, 1845, and the early part of 1846, but at the end of the last-named year and in 1847, when the potato rot had covered the land with famine, suffering, and desolation. In England, the years 1847, 1848, and 1849, with railway panic, disordered commerce, paralysed trade, broken wages, and dear food, were also periods of unusual drinking.

Going farther back for proof on this point, it is found in abundance. Mr. Porter says—"It was given in evidence before a committee of the House of Commons, in 1743, that the quantity of spirituous liquors made for consumption in England and Wales was, in 1742, nineteen million gallons, consumed by a population not exceeding six millions, giving three and one-sixth gallons for each individual. One century later and we find a population, increased to sixteen millions, consuming 8,166,985 gallons in the year, or half a gallon per head, showing a diminished consumption of more than five-sixths. There were, in 1742, within the bills of mortality, more than 20,000 houses and shops in which gin was sold by retail. Nor were those habits of drunkenness confined to the labouring classes. What would now be called drinking to excess was then so much the custom in every circle, that it was as uncommon for any party to separate while any member of it remained sober, as it is now for any one in such party to degrade himself through intoxication. The habit, which is now happily banished from all decent society, had by no means disappeared at the beginning of the present century." (*Ibid*, 675.) It is related of Sir Robert Walpole, who was Prime Minister at the period when three and one-sixth gallons of spirits were consumed by each of the population, that when he was a youth, living at home with his father in Norfolk, the old gentleman, to prove his regard for "decency," filled Robert's glass twice for his own once, that the son might be first drunk, and so avoid seeing his father in that condition!

(To be continued.)

FINANCIAL REFORM TRACTS.

No. 35.

HISTORICAL REVIEW OF THE FISCAL SYSTEM.

SECTION XXVII.

(Continued from No. 34.)

DUTIES REDUCED ON SPIRITS, WINE, AND OTHER LIQUORS: THEIR EFFECT ON TRADE AND ON MORALS.

These, and other facts which might be gathered from any country in Europe, and in great force from America, prove that it is not cheapness, or easy acquisition of strong drinks, which induces drunkenness. But, on the other hand, it is fully proved by evidence so plentiful that the only difficulty is to condense it into the limited space afforded by the papers before the reader, that the duties on spirits, by greatly increasing their market price, have led to drunkenness, demoralisation, and crime, through illicit distillation and smuggling. Mr. M'Culloch has been industrious on this question, as on all others where his task has been to collect historical and financial facts. Referring to that period when the yearly drinking of the population of England was three and one-sixth gallons of spirits each, he writes—

“During the latter part of the reign of George I. and earlier part of that of George II., gin drinking was exceedingly prevalent; and the cheapness of ardent spirits and the multiplication of public-houses were denounced from the pulpit, and in presentments of grand juries, as pregnant with the most destructive consequences to the health and morals of the community. At length Ministers determined to make a vigorous effort to put a stop to the further use of spirituous liquors, except as a cordial or medicine. For this purpose an Act was passed in 1736, the history and effects of which deserve to be studied by all who are clamorous for an increase of the duties on spirits. Its preamble is to this effect:—‘Whereas the drinking of spirituous liquors, or strong water, is become very common, especially among people of lower or inferior rank, the constant and excessive use of which tends greatly to the destruction of their health, rendering them unfit for useful labour and business, debauching their morals and inciting them to perpetrate all vices; and the ill consequences of the excessive use of such liquors are not confined to the present generation, but extend to future ages, and tend to the destruction and ruin of this kingdom.’ The enactments were such as might be expected to follow a preamble like this. They were not intended to repress the vice of gin drinking, but to root it out altogether. To accomplish this a duty of twenty shillings was laid on spirits, and a license duty of £50 a year on retailers, at the same time that their sale in any less quantity than two gallons was prohibited. Extraordinary encouragements were also held out to informers, and a fine of £100 was ordered to be rigorously exacted from unlicensed dealers, and from everyone who, were it even through

inadvertency, should vend the smallest quantity of spirits which had not paid the full duty.

“Here was an Act which might, one should think, have satisfied the bitterest enemy of gin. But instead of the anticipated effects, it produced those directly opposite. Respectable dealers withdrew from a trade proscribed by the Legislature, so that the spirit business fell almost entirely into the hands of the lowest and most profligate characters, who, as they had nothing to lose, were not deterred by penalties from breaking through all the provisions of the law. The populace having in this, as in all similar cases, espoused the cause of the smugglers and unlicensed dealers, the officers of the revenue were openly assaulted in the streets of London and other great towns; informers were hunted down like wild beasts; and drunkenness, disorder, and crimes, increased with a frightful rapidity. ‘Within two years of the act,’ says Tindal (Continuation of Rapin, vol. viii., 358, A.D. 1759), ‘it had become odious and contemptible, and policy, as well as humanity, forced the commissioners to mitigate its penalties.’”

In 1742 the Act was repealed, and such moderate duties substituted as materially abated smuggling and illicit distillation. But it is unnecessary to go back to the reign of George II. for proofs of the impotency of high duties to take away the taste for spirits; or to lessen their consumption. Mr. M'Culloch writes of Ireland, in more recent times:—

“If heavy taxes, enforced by severe fiscal regulations, could make a people sober and industrious, the Irish would have been the most so of any. To make the possessors of property join heartily in the suppression of illicit distillation, the novel expedient was resorted to in Ireland of imposing a heavy fine on every parish, town-land, manor-land, or lordship, in which an unlicensed still was found; while the unfortunate wretches found working it were subjected to transportation for seven years. But instead of putting down illicit distillation, these severities rendered it universal, and filled the country with bloodshed, and even rebellion.”

Mr. Chichester, a writer of authority on the distillery laws, said—“The Irish revenue law seems to have been formed in order to perpetuate smuggling and anarchy. It has culled the evils of both savage and civilized life, and rejected all the advantages which they contain. The calamities of civilized warfare are, in general, inferior to those produced by the Irish distillery laws; and I doubt whether any nation of modern Europe, which is not in a state of actual revolution, can furnish instances of legal cruelty commensurate to those I have represented.”

The Revenue Commissioners, in the reports following their inquiries, bear out those assertions. They say (Fifth Report) that when the duty on spirits was 2s. 6d. a gallon, in 1811, duty was paid in Ireland on 6,500,361 gallons (Irish measure); whereas, in 1822, when the duty was 5s. 6d., only 2,950,647 gallons were brought to charge. They state the annual consumption of spirits in Ireland to have been at this last period not less than ten millions of gallons; and as scarcely three millions paid duty, it followed that seven millions were illegally supplied; and, say they—“Taking one million of gallons fraudulently furnished for consumption by the licensed distillers, the produce of the unlicensed stills may be estimated at six millions of gallons.” They further observe—“The profits to be obtained from the evasion of the law have been such as to encourage numerous individuals to persevere in these desperate pursuits, notwithstanding the risk of property and life with which they have been attended.”

The commissioners recommended that the duty be reduced from 5s. 7½d. to 2s. 4½d. the imperial gallon; and this being done in 1823, the legitimate consumption of spirits rose from about three-and-a-half to above nine millions of gallons. “It has been objected to this measure,” says Mr. M'Culloch, “that it was injurious in a moral point of view, by occasioning an increased consumption of spirits. But the statements already made show the groundlessness of this allegation. The reduction of the duties substituted legal for illegal distillation, and freed the country from the perjuries and other atrocities that grew out of the previous system; but it would be wholly erroneous to say that it increased drunkenness. The commissioners, who had the best means of obtaining accurate information, estimated the consumption of spirits in Ireland, in 1823, at ten millions of gallons; and when greatest, in 1838, the population having greatly increased, the consumption was

only 12,296,342 gallons. No doubt, therefore, the measure deserves to be considered as having been in every point of view most successful. The increase of duty to 3s. 4d., in 1830, perceptibly diminished the quantity of spirits brought to the charge; and as it was found to give a considerable stimulus to smuggling, which had previously been nearly extinct, it was again reduced, in 1835, to 2s. 4d. . . . The ill-advised addition of 1s. a gallon made to the duty in 1842 was repealed in 1843; for while it gave a powerful stimulus to clandestine distillation, it is abundantly certain it would not have added anything to the revenue, or have aided the temperance movement."—("Treatise on Taxation," page 348.)

Mr. M'Culloch next shows that the experience of Scotland is hardly less conclusive in regard to the advantage of low duties on spirits than that of Ireland, the duties having produced nearly the same effects in both countries. But the Association will not occupy space with an accumulation of details.

The history of the duties on foreign spirits (brandy and geneva) tells the same tale; high duties have led to smuggling and the vicious habits which accompany it. In 1782, when the duties on brandy and geneva amounted to 9s. per wine gallon on proof spirits, and to 18s. per ditto on such as were of greater strength, 740,604 gallons were annually entered for consumption. But the Commissioners of Excise estimated, in 1783, that in the preceding *three* years upwards of thirteen million gallons of foreign spirits had been clandestinely imported.

Mr. Pitt, to meet this evil, reduced the duty to 5s. a gallon. The event more than answered his expectation, the entries for consumption having amounted, in 1789 and 1790 (the next years to the alteration), to 2,114,025 gallons a year; and smuggling was in the same proportion put down. During the war which broke out with France in 1793 the duties were increased, till at length they amounted, in 1814, to 18s. 10d. per wine gallon (equal to 22s. 6d. per imperial gallon), at which rate they continued till 1840, when 4d. per gallon was added to them. In March, 1846, the duty was reduced from 22s. 10d. to 15s. the gallon.

WINE.—"From the reign of William III.," says Mr. M'Culloch, "down to 1831, French wines were burdened with duties which were never less than 33¼ per cent. higher than those laid on other wines. During its continuance, this was the most unjustifiable and mischievous regulation in our commercial code. It was directly injurious by forcing the consumption of an inferior in preference to a superior wine; and it was still more injurious by its offensive character, and by its provoking and justifying the retaliatory measures adopted by the French against our trade. The abolition of this miserable remnant of a short-sighted, vindictive policy, was one of the wisest of the commercial measures of this country." This was one of many good measures effected by the late Lord Sydenham, then Mr. Poulett Thompson, M.P. for Devon, afterwards for Manchester.

Wine, if not so readily smuggled, when the duties offer a premium, as some other articles, is as extensively and abominably adulterated as any. Nor is the adulterator a modern practitioner. So certain is the operation of the customs taxes, that as soon as imposed they bear their pernicious fruit. The high duties laid on wines by William III., to get money for his wars, brought out a set of wine-makers, who were thus described by Addison a few years after:—

"There is in this city (London) a certain fraternity of chemical operators who work underground in holes, caverns, and dark retirements, to conceal their mysteries from the eyes and observation of mankind. These subterranean philosophers are daily employed in the transmutation of liquors; and by the power of magical drugs and incantations raise under the streets of London the choicest products of the hills and valleys of France. They can squeeze bordeaux out of the sloe, and draw champaign from an apple. These adepts are known among one another by the name of wine brewers, and, I am afraid, do great injury not only to her Majesty's customs, but to the bodies of many of her good subjects."—"Tatler," No. 131.)

Referring to the foregoing, Mr. M'Culloch says—"But, despite the wit of Addison, and the more formidable prosecutions of the excise, this fraternity continues to be as vigorous and flourishing as ever; and the belief is, that from a third part to a half of the champagne and sherry (or rather of the trash called by these names) sold in London is the produce of the home presses."—"Treatise on Taxation.") He goes on to remark on the enormous adulteration of tea, coffee,

and sugar—"It is a curious fact that potato starch, when heated by sulphuric acid, becomes sugar. A manufacture of such sugar is now carried on at Stratford." To this it may be added that Liverpool and Manchester have each their manufactories of vile chicory, coffee, and tea not less vile. "Those who buy brandy and hollands," says the writer just quoted, "on the assurance that they have come from Cognac and Schiedam, most frequently, perhaps, purchase the produce of the British distillers and rectifiers! The adulteration of tobacco, especially of snuff, is also carried on to a very great extent; and it appears to be the general opinion of those best acquainted with the trade that the revenue derived from tobacco suffers more from this practice than from its clandestine introduction, notwithstanding the great extent to which the latter has been carried." With such evidence of fraud and demoralisation ensuing from the indirect taxes on spirits, wine, and other articles which the moral reformer would restrict the use of, it must be apparent that it is futile, foolish—nay, worse than foolish, it is pernicious—to attempt to repress spirit and wine drinking by indirect taxes. The same might be said of beer, malt, and hops; but it is unnecessary to recur to the arguments which the Association have already adduced in relation to beer and its adulteration in preceding tracts on Indirect Taxation.

SECTION XXVIII.

BENEFICIAL EFFECT OF DUTIES REDUCED OR REPEALED—ON LINEN; TIMBER; TOBACCO; SMUGGLING IN GENERAL.

LINEN.—This article was not classed with the other textile fabrics, because it had been intended to treat of it at some length in connexion with the discoveries in chemistry, which have enabled the linen bleachers to do in a few hours what was once done only in six months, by sending linen to Holland to be bleached. But the Association, finding so many articles claiming notice in the brief space which remains for their treatment, will only remark of the linen trade that in proportion as it has been freed from legislative "regulations," or fiscal restrictions, it has grown in vigour and prosperity. Mr. M'Culloch says—"Though the progress of the linen manufacture has been considerable, particularly of late years, it has not been so great as might have been anticipated. This is partly to be ascribed to the efforts which have been made to bolster up and encourage the manufacture in Ireland and Scotland, and partly to the rapid growth of the cotton manufacture. In 1698, both Houses of Parliament, urged by the English woollen manufacturers, addressed the King (William III.), representing that the progress of the woollen manufacture of Ireland was such as to prejudice that of this country; and that it would be for the public advantage were it discouraged and the linen manufacture established in its stead. The King replied, 'I shall do all that in me lies to discourage the woollen manufactures in Ireland, and encourage the linen manufacture, and promote the trade of England.' . . . Government had no difficulty in prevailing on the Legislature of Ireland to second their views, by prohibiting the exportation of all woollen goods from Ireland, except to England, where prohibitory duties were already laid on their importation."—"Commercial Dictionary.") Mr. Porter recites the same facts, and, like the preceding writer, doubts if the measures taken to promote the linen manufacture in Ireland really did so.

Mr. Huskisson, in his great speech on colonial policy, 21st March, 1825, enunciated truths, both political and historical, which might be quoted here with advantage, as every prophetic opinion which he that day (or in his other commercial speeches) hazarded, has been fulfilled; but the student of financial reform is referred to the historical facts to be found in his speeches (contained in most libraries), and to the works most frequently quoted in these sections.

TIMBER.—This is one of those articles which has been next to corn the subject of protective laws. It was once held to be a wise policy which taxed foreign timber of all kinds, so long as the soil of Britain should produce a tree. When that policy broke down, through its discordance with the interests of a great maritime and manufacturing, ship-building and house-building, nation, the fiscal error was not

entirely corrected. It was declared that the colonies must have a differential duty in favour of their timber to the disadvantage of the foreigner in Europe, though he might have a better article to dispose of. And when the tendency to free trade policy induced a considerable alteration in those differential duties, it was freely foretold that the colonial timber trade would be ruined. But what are the facts? these: that the taxes being reduced, both colonial and foreign timber have been in greater demand and in more general use. Since 1842 the importations of all kinds of timber have been as follows; the quantities are expressed in loads:—

Years.	Colonial.	Foreign.
1843	922,087	395,558
1844	941,221	544,136
1845	1,281,974	675,840
1846	1,214,442	810,497
1847	1,089,233	805,918
1848	1,085,752	720,696
1849	1,070,151	597,364

“It was predicted,” says Mr. Porter, “by persons engaged in the colonial timber trade, that to lessen the difference between the rates of duty charged upon foreign and colonial timber must prove injurious to them, and therefore hurtful to our North American colonies. Their predictions have happily proved unfounded. Although the protective duty in favour of colonial wood has been reduced by progressive steps from 45s. to 14s. a load, the colonial trade in the article has very much increased.” And next, Mr. Porter remarks, “No good reason can be assigned for the continuance of even this modified protection, and it is hoped that this deformity will, before long, be removed from the tariff.” The increase in the use of imported timber has been as under:—

Between 1801 and 1811, 72 per cent., the increase of population having been 13½ per cent.			
Between 1811 and 1821, 49	“	“	14½ “
Between 1821 and 1823, 31	“	“	14½ “
Between 1831 and 1841, 36	“	“	13½ “

Comparing 1801 with 1841, it will be seen that while the increase of the population was 64½ per cent., the use of imported timber increased 360 per cent. The great increase (beyond that of all former years) since 1845 is evidently the result of diminished duties in concurrence with a period of comparative prosperity. But much uncertainty must always attend the estimates of the total consumption of timber, seeing that it is also a product of our own soil, of which home product no public account is taken.

TOBACCO.—It is said that less tobacco is now used than at the beginning of the century, population considered. But this refers only to duty-paid tobacco. The quantity of smuggled and adulterated tobacco now in use—both the fruit of indirect taxation—no man can tell; and few, except those who have made the tobacco trade and the customs taxes their study, can estimate it. Mr. Porter observes, that “In great towns, and among the easy classes, and especially among our young men, whose expenditure is least likely to be carefully regulated as regards minor luxuries, the smoking of tobacco is probably much greater now than it has been at any former period.” The falling off in the consumption is principally experienced in Ireland, where the smoking of tobacco has long been a chief luxury of the working classes, and where, considering the few comforts that usually fall to their lot, its diminution betokens a great degree of privation. Contrasting 1839 with 1801, it was seen that the average use of tobacco in Ireland is only one-half what it was at the beginning of the century; and although the rate of duty is about *three times* what it was in 1801, the contribution per head to the revenue has only advanced seventy-five per cent!

Years.	Pounds weight consumed.	Duty in Britain.		Duty in Ireland.	
		s.	d.	s.	d.
1801	16,904,752	1	7 6—20	1	0 7—10
1811	21,376,267	2	2 13—20	1	7
1821	15,598,152	4	0	3	0
1831	19,533,841	3	0	3	0
1841	22,309,360	3 and 5 per cent.		3 and 5 per cent.	

The number of successful adventures in smuggling cannot, of course, be known ; but it appears from official returns that about eight hundred persons are *convicted* annually for smuggling tobacco ; while it is known by experience in Liverpool that four hundred seizures of vessels have been made in that port alone in one year, the number of persons actually concerned in smuggling, and convicted, bearing but a small proportion to the probable, the almost certain, number engaged in the contraband adventures.

SMUGGLING.—Mr. M'Culloch, in his treatise on Taxation, introduces a well-reasoned essay on smuggling in these words :—“ Besides diminishing the revenue by diminishing consumption, oppressively high duties diminish it by originating and encouraging the practice of smuggling. The risk of being detected in the smuggling of commodities under any system of fiscal regulations may always be valued at a certain rate ; and whenever the duties exceed this rate, smuggling will be practised. Thus, if the duty on an article imported from abroad be 10, and the risk of smuggling 10 or 12 per cent., it is clear that none will be clandestinely imported ; but if, while the risk continues the same, the duty be raised to 15 or 20 per cent., smuggling will immediately begin, and will most probably be carried to such an extent as to make the high duty less productive than the lower.”

These remarks are directed to the smuggling of foreign commodities ; but they apply as correctly to the illegal distillation of spirits, which, up to the day the words before the reader are written, is largely carried on in small adventures—small, yet numerous in all the large towns of the kingdom. Illegal distillation from illegal malt or other material, will be carried on in defiance of all revenue laws and officers, so long as the excise duties afford such a profit as covers the risk of detection and insures some remuneration.

Mr. M'Culloch continues :—“ There are but two ways of checking this practice : either the temptation to smuggle must be diminished by lowering the duties, or the difficulties in the way of smuggling, or its risk, must be increased. The first is obviously the most natural and effectual mode of accomplishing the object in view ; but the second has been most generally resorted to, even in cases where the duties were quite excessive. Governments have usually consulted the officers employed in the collection of this revenue respecting the best mode of rendering taxes effectual, though their interests, prejudices, and peculiar habits, obviously tend to disqualify them from forming a sound opinion on such a subject. With few exceptions, they seem to think that were they to recommend a reduction of duties as the means of repressing smuggling and increasing revenue, they would be virtually acknowledging their own incapacity to detect and defeat illicit practices ; and instead of ascribing the prevalence of smuggling to its true causes, they have, therefore, very generally ascribed it to some defect in the laws, or in the mode of their administration, and have proposed repressing it by new regulations, and by increasing the number and severity of the penalties affecting the smuggler. These attempts have, as was to be expected, proved, in the great majority of cases, signally unsuccessful. No doubt it is highly proper that every practicable effort should be made, by improving the efficacy of the revenue laws and the mode of carrying them into effect, to obstruct smuggling and to insure the collection of the duties ; but it has invariably been found that no vigilance on the part of the officers, and no severity of punishment, can prevent the illicit supply of such commodities as are either prohibited or loaded with oppressive duties. Assuredly we have no wish to defend the practice of smuggling, or to apologise for the crimes to which it inevitably leads ; but how much sœver it may be condemned, it is still true that it owes its origin to oppressive taxes and vicious regulations, and that it will flourish so long as these are maintained.”

The Association have shown, in their tracts on Indirect Taxation, that, apart from the profit to be obtained by the smuggler if he be successful in running his goods, the revenue system, which gives rewards to informers (a system which cannot be dispensed with so long as the customs and excise establishments exist), is sufficient in itself to induce smuggling—at least, as much smuggling as places the property of shipowners in peril, which leads to their being fined, though innocent, and to their trade being obstructed and deeply injured. The Association have also shown how, by the keeping of goods in bond (though doubtless the warehousing under the Queen's lock is a great improvement on the former mode of levying

duties on goods as soon as imported), servants are corrupted, merchants plundered, tradesmen tempted to dishonesty, and much of society demoralised in seaport towns where bonded warehouses are established, by the practices which arise in those places. The evil begins with a desire and the opportunity of cheating the revenue; it ends by the plunder of the merchant and the ruin of the honest retail tradesman, who, buying goods that have not been smuggled or stolen, cannot compete with his neighbour who is intimate with smugglers or at the bonded warehouses, and not particularly conscientious. Churches, schools, institutes of literature and ethics, all are powerless to arrest this prodigious evil, which spreads, and is yearly spreading, in a wider, deeper ratio, beginning with smuggling and ending in fraud and robbery."

"To pretend," says Dr. Adam Smith, "to have any scruple about buying smuggled goods, though a manifest encouragement to the violation of the revenue laws, and to the perjury which almost always attends it, would in most countries be regarded as one of those pedantic pieces of hypocrisy which, instead of gaining credit with anybody, serve only to expose the person who affects to practise them to the suspicion of being a greater knave than most of his neighbours. By this indulgence of the public, the smuggler is often encouraged to continue a trade which he is thus taught to consider as in some measure innocent; and when the severity of the revenue laws is ready to fall upon him, he is frequently disposed to defend with violence what he has been accustomed to regard as his just property; and from being at first, perhaps, rather imprudent than criminal, he at last, too often, becomes one of the hardest and most determined violators of the laws of society. By the ruin of the smuggler, his capital, which had before been employed in maintaining productive labour, is absorbed either in the revenue of the state, or in that of the revenue officer, and is employed in maintaining unproductive labour to the diminution of the general capital of society, and of the useful industry which it might otherwise have maintained. . . . A person dealing in smuggled goods, who, though no doubt highly blameable for violating the laws of his country, is frequently incapable of violating those of natural justice, and would have been in every respect an excellent citizen, had not the laws of his country made that a crime which nature never meant to be so."—"Wealth of Nations," Book v. chap. 2.)

Mr. M'Culloch remarks, on this point, that "it is idle to imagine that the bulk of society should consider the smugglers who supply them with cheap silks, brandy, geneva, and tobacco, as guilty of any heinous offence. They are disposed to conclude that those who dig the pitfall, and not those who stumble into it, that the makers and not the breakers of bad laws, are really responsible for all the mischiefs that may ensue. To create, by means of high duties, an overwhelming temptation to indulge in crime, and then to punish men for indulging in it, is, indeed, a proceeding obviously subversive of every principle of justice. It revolts the feelings of the people, and makes them take an interest in the worst characters—for such smugglers generally are—espouse their cause and avenge their wrongs. A punishment not proportioned to the offence, and which does not carry the sanction of public opinion with it, can never be productive of good effect."

Then he says of a remedy:—"The true way to suppress smuggling is to render it unprofitable, to diminish the temptation to engage in it; and this is not to be done by embodying armies of revenue officers, multiplying oaths and penalties, and making our coasts the scenes of ferocious and bloody contests, and our courts of perjury and chicanery, but simply by repealing prohibitions and reducing the duties on smuggled commodities. . . . So long as prohibitions and oppressively high duties are kept up, or, which is really the same thing, so long as a high bounty is held out to encourage the adventurous, the needy, and the profligate, to enter upon this career, we may be assured that legions of excise and customs officers, backed by the utmost severity of the revenue laws, will be insufficient to hinder them. . . . In the plan hitherto pursued, it is common to encourage the officers to suppress smuggling by giving them extra rewards for detecting frauds and making seizures. These are supposed to be the best means of securing their integrity and stimulating their activity. But it is obvious that when part of the emoluments of the inferior officers is derived from fines and seizures, it is for their interest that there should be frauds to discover and seizures to make. And though

the system may increase their vigilance in watching the proceedings of the smugglers, it will not stimulate them to attack the sources of smuggling. It is not by rat-catchers that the breed of rats will ever be exterminated."—"Treatise on Taxation," p. 321.)

To this the Association only add that no mere reduction or transposition of duties from one article to another, will eradicate those vices inherent in the fiscal system. All customs and excise duties—all indirect taxation—must cease. These ended, bribes, frauds, false-swearing, smuggling, trapping of the innocent by the guilty, plunder of warehouses, success of dishonest traders over honest, may be suppressed, and freedom and safety to capital, fair play to industry—complete free trade—may prevail, but they will not prevail nor prosper while indirect taxation lasts.

SECTION XXIX.

CONCLUDING SECTION.—GENERAL REMARKS ON FINANCIAL REFORM.

The Association have now (July, 1851) gone through the various economical and fiscal subjects which they began to treat of in 1848; they will make, in the present section, a few concluding remarks.

They began with a complaint of the extravagance of the civil list, particularly as regards offices to which no duties attach, or only duties of mere parade and show: they neither retract nor qualify the opinion then given, that such offices add nothing to the dignity of the Sovereign, nothing to the stability of the constitution, but that, on the contrary (and especially as they are paid for by an over-taxed people), they unite the bad qualities of being both foolish and dangerous. They have shown, in subsequent Tracts, that the common parliamentary excuse for extravagance under the civil list—namely, that in the reign of George III. the nation obtained crown property to more than the amount now paid out of the taxes—is a deception, the nation having had no such advantageous bargain. (See Tracts on Woods, Forests, and Crown Lands; and the Historical Review of the Fiscal System). But the Association do not put the civil list first, as if it were the greatest financial grievance. Did the high scale of regal expenditure begin and end with the Sovereign, such concession might be made to ancient usage as would suspend commentary. But the regal expenses form the standard to which the costliness of all subordinate public servants is proportioned. The example of the Court infects every department with a mean ambition to ape its multitude of useless officials, its parade and ceremonialism, the worthless legacy of a half-civilized age; while the receipt of public money for nominal services or none at all, by some of the highest and wealthiest of the nobility, extinguishes all sense of shame in meaner offenders; the Association would, therefore, repeat their strong conviction that nothing would exert a more beneficial influence upon the economy of the whole public service; nothing more certainly tend to raise the standard of integrity in all transactions between individuals and the public; and nothing more confirm and strengthen the popular attachment to royalty, and the general respect and affection for the Queen by whom the throne is now so admirably filled, than a thorough reform and curtailment of the civil list. It is no longer true that "robes and furred gowns hide all." Vices—aye, and small ones—now appear through them as through "tattered clothes," and even more conspicuously. A court is "a city set on a hill, which cannot be hid;" those who desire its perpetuity will do well to see that it be established in righteousness; and those are its truest friends who point out existing faults and errors, and urge their redress.

Returning to the actual state of things, however, we find both at home and in the colonies, in the colonies especially, mock-royal dignities maintained, the military effective forces misapplied for pomp and show, ineffective officials employed and paid with allowances doubled and trebled beyond professional pay, to keep up the dignities formed on the model of the civil list at home. Ultimately these personages, principals and subordinates, who, in every colony, though it be but an island, hold mimic regal court, with regiments to furnish guards of honour, artillerymen and ships of war to salute them, fall into the pension list. And as such

offices, with high military or naval rank, are prizes worth some risk, the competitors for the inferior commissions are numerous. Not a family of the titled aristocracy, and not many among the common landed gentry, but has its connexions in these services. It is true the pay in the lower ranks is individually moderate. The Association have pointedly remarked that for actual duties done—for real military and naval services rendered to the country—the actual pay is moderate enough; but the number of young gentlemen crowded into the services, to obtain entrance to which they weary their patrons, burden their families, and impose on their relations the unworthy family necessity of polluting Parliament—of making politics a trade and a trick to get promotion for them—these are crowded into the service in numbers alike detrimental to themselves and to the public. Then comes the greatest public grievance connected with them—their half-pay and pensions when they retire, or fail, through the superior political influence of the relatives of other officers, to obtain employment: as well as the addition to this grievance, that the old half-pay officer sells his commission to a younger man, and buys an annuity, while the younger man saddles his longer life upon the country, and perhaps in turn, when older, sells the commission to one who is young, buying an annuity of greater amount with the large price which the younger man, by reason of his probable years to live, is justified in paying for it. It would be greatly more economical to the nation, and better for the public service, that a somewhat higher rate of pay were allowed to subaltern officers actually employed, and the duty imposed on them of providing, by insurance, for their retirement out of their pay; pensions only to be given for wounds of a serious nature, or for very extraordinary services; half-pay never; governors or colonial commandants, and all the aide-de-camps and officials related thereto, to be paid out of the colonial treasuries.

Such was the tendency of the strictures of the Association on the army, ordnance, and navy estimates of 1848 and 1849. It has since been denied that the aristocracy and landed gentry have exclusive or even general possession of the army and navy commissions; the Association believe that an examination of the family relationships of commissioned officers, and especially of those possessing the higher emoluments and honours, would prove that the territorial gentry do hold the military and naval services, particularly the higher prizes, almost entirely in their own families; and this scrutiny the Association have some intention of instituting.

Since the Association began to indoctrinate the public mind on financial reform in 1848, one large industrial and political section of the community—the cultivating occupiers, and many owners of land—have become adherents of financial economy so far as to speak of it. Politically, the landowners still give their votes on the side of extravagance; but it is probable that before long their personal necessities and class interests may induce them to practise a virtue for the public good to which they have hitherto seemed insensible. The Association have more than once issued addresses to the agriculturists, urging them to seek relief from oppressive taxation by demanding complete free trade in all commodities, now that they are exposed to the competition of free trade in corn. This, they have reason to believe, has been done with some success; nor have their labours been fruitless as regards other classes. The question of direct against indirect taxation—in other words, complete free trade—is now one of familiar discussion; though it must be admitted, and with regret it is admitted, that some of those who profess a belief in the principles of free trade have been lukewarm, and remain careless, in completing the great work of which the repeal of the corn laws was only a part—an important one, certainly, yet no more than a part.

That common sense will ultimately prevail, and that those barbarous impediments to industry—the revenue laws and customs and excise taxes—shall be extinguished, and swept into the irretrievable past, to be known only in history, to be a wonder to future financiers, and to make posterity doubt that Britain was so wise in the nineteenth century as she boasted;—that these unaccomplished things will be fulfilled, the Association believe to be as certain as is the progress of science and civilization. How long it may be until this fulfilment, the patience, or ignorance, or mental indolence of society, under a financial system of unthrift and injustice, must determine. It may also, in some small measure, depend on the future labours of the Association, qualified as these must be by the support they

receive from persons who already believe in the principles they teach. The Association have accumulated such evidence against indirect taxation in their earlier tracts on that branch of their inquiry, and more recently have laid together such proofs of benefits derived from the reduction of taxes on some commodities, and the entire removal of them from others, as they think no reasonable or disinterested person can withstand.

They have not gone beyond the experience of our own country for evidence of evil done by indirect taxes, and of benefits gained by their relaxation or removal; but other countries afford such evidence, and it sustains the grand fact that the free trade principle is universal, not local or partial.

In France, in 1775, M. Turgot deducted a half from the customs and other duties chargeable on the fish sold in the Paris market; but, notwithstanding this reduction, the amount of the duties collected was not diminished. The demand for fish must, therefore, have been doubled in consequence of the inhabitants being enabled to supply themselves at a comparatively cheap rate. In 1813, when sugar imported into the French empire paid a duty of one franc sixty cents the pound, the imports amounted to about fourteen millions of pounds, which, to the inhabitants of France, and of the countries then incorporated with it (42,000,000 in all), gave the third part of a pound weight to each. In 1814 this exorbitant duty was reduced to about a fifth part, or to thirty cents a pound; and though the population of the empire had been then reduced to that of France (only 28,000,000), the average annual importations of 1814 and 1815 amounted to forty-four millions of pounds, being upwards of one-and-a-half pounds to each individual, or nearly five times as much as the consumption amounted to in 1813 under the high duty.

In Spain the effects of duties have been marked with decay of trade, frauds, smuggling, and all the disasters, material and moral, which follow indirect taxation elsewhere, while the modification and repeal of such taxes have been equally marked by improved trade and morals. Ustariz, in his "Theory and Practice of Commerce," relates, among other instances, that Valencia, though barren of grain and flocks, and not equal in extent to two-thirds of Arragon, yielded a much larger revenue, owing to the flourishing state of its manufactures and commerce. And that flourishing state of manufactures and commerce he accounted for thus:—"It arises from the equitable and kind treatment the weavers receive in that province, and to his Majesty's goodness in reducing the excessive taxes which were charged upon flesh meat, and other provisions; and his taking off wholly that which was laid on bread in ancient times; as also the imposts known as ancient duties and generalities."

So also in the United States of America, the consumption of coffee rose from *five* to *forty* thousand tons in fifteen years, by the reduction and repeal of the duties which had obstructed its import—(time, 1821 to 1835). The consumption of tea remained stationary, while the duties stood at from 80 to 100 per cent.; but having been entirely repealed, the consumption at once rose, and proved of great benefit to domestic comfort, as well as to the manufactures and foreign commerce of the American Union.

Thus it is seen that the principle of freedom to produce, freedom to buy and sell, freedom to consume at the lowest price, is of universal application, and not local or exceptional.

In conclusion, the Association would declare that this is no party question; no interest of sect, or class, or faction—it is altogether a national concern; nay, it is *human*, for that which affects Great Britain affects mankind. Do you seek full employment for our teeming population? Remove all fiscal shackles from the arm of industry, abolish your customs and excise, and cease at last legally to forbid any man to earn an honest livelihood. Would you increase the comforts and improve the condition of weavers and stockingers, needlewomen, and agricultural labourers? Let them at least have the commodities and necessities of life at the natural price fixed by God's providence, and let not the privations of poverty be artificially aggravated by duties which to them are prohibitions. Do you desire to relax the intense pressure of competition, with all its fearful evils, now so loudly, and in general so idly, declaimed against? Throw open your ports, then; abandon your excise system; hinder no man's buying, and selling, or manufacturing, but restore his birthright—the market of the whole earth for his merchandise; when,

perhaps, it may appear that Providence hath not appointed any severer competition than is necessary to keep industry awake and invention busy, and that the evils we suffer are our own work after all. Is taxation to be made just and equitable, and to be proportioned in some degree to the means of the taxpayer? Then customs and excise duties must be abolished, to begin with; for their iniquity is such that the sins of the income tax, "though they be as scarlet," are "white as wool" in comparison; unequal as it is, that tax at least was not contrived to oppress the poor, and to spare the rich. Do you hate waste and profusion, and respect thrift and economy? Remember, then, that it costs forty-eight per cent. to collect and pay customs and excise duties, while direct taxes need not cost one per cent.; and that if you wish to make legislators frugal, you must tax them and their constituents according to their respective ability, but in such a direct, inevitable manner, that they shall see and feel the payment; when, we may be assured, they will look more diligently after the expenditure. Are you disgusted with official tyranny and insolence, and with the sharp practice by which honourable boards would fain silence complaint, and crush individuals whose only crime has been that of offering legal resistance to their illegal and scandalous exactions? Have you read the reports of some recent memorable trials, and blushed, as an Englishman, at the thought that official men should still dare to commit, and a Chancellor of the Exchequer to sanction, proceedings so infamous, that their bare possibility is a national disgrace; while their childishness and absurdity are such, that whether contempt or indignation should prevail in regarding them may well be doubted? Do not forget, however, that the commissioners and their doings are but parts of a system which bears similar fruit abundantly wherever it exists; and find, if you can, a customs' establishment on the face of the earth which does not commit the like iniquity, with greediness, on every opportunity. These are but the executioners of commerce—the sentence of condemnation went forth from Downing-street and St. Stephen's. Is manufacturing skill to be developed by science, and are articles of common use, and even of daily necessity, to be perfected and cheapened? Such cannot be the case with articles produced under excise supervision; for science is contraband, and improvement a breach of revenue law. He who tries to make soap better or cheaper than his grandfather shall have penalties for thanks, and confiscation for his reward. Are education and intelligence to be diffused among the people? That may hardly be, while paper is excised, news forbidden to circulate without a stamp, and even personal cleanliness discouraged, and to many prohibited, by the law of the land, which doubles the price of soap. The system meets you at every turn, and stands in the way of every step in advance. Temperance itself is discountenanced, and drunkenness legally encouraged, by monstrous duties on tea, coffee, and sugar; while the shops in which liquors are sold are the only ones permitted to be open on Sunday. Even smuggling and perjury, adulteration and cheating, would seem to be precious virtues in the eyes of English financiers, for they carefully preserve ample temptation and opportunity for their practice. Are you a friend of peace? Do you desire to see wars discouraged, if not extinguished, and to cultivate a better knowledge of each other, and more reciprocal good feeling among the various families of men? What means so effectual as to engage all nations in the daily interchange of mutual benefits, binding them over to good behaviour in the golden bonds of commerce, and the heavy securities of millions of depending transactions? There is no such defence against invasion as ports ever open to all comers; for men soon learn that trading is both more profitable and far pleasanter than fighting. For example, it is not denied that a large part of our monstrous armaments is maintained because France commits the like absurdity, while each country systematically excludes the other's staple productions. Let the duties on French wines and spirits be repealed, and their whole amount may be saved in ships of war, sailors, and fortifications, while our manufactures of iron, salt, hardwares, and earthenware, will find an unlimited market close at their doors, and the Channel will be bridged by constant steamers carrying goods as well as passengers, and cargoes not merely touching at our ports, *in transit* to other countries. Ministers of State and parliamentary orators are loud in their professions of anxiety to promote the spread of commerce, to diffuse the blessings of civilization, and to perpetuate the reign of peace; they prove their

sincerity by saddling industry with above forty millions of taxes, fettering all trading operations with customs and excise, stamps and licenses, and their innumerable and harrassing forms, delays, and restrictions, though Bacon warned them, two centuries ago, that "taxes upon trade do destroy the life of trade." They maintain a ruinous blockade of tariffs, one of the most powerful of known provocatives to actual war between Great Britain and her nearest neighbours; and they actually line our coast with a numerous fleet and army under the name of a preventive coast guard, for the purpose of "preventing" the people of this country from trading with the French, Belgians, or Dutch—for this is what, in effect, they do! While such are our acts and laws, all talk is idle, professions are hypocrisy and cant, and the glorious Crystal Palace itself a mockery and an imposture. The bounties of the universal Father are indeed there in rich profusion, and the skill of cunning workmen testifies in numerous ways that man knows well their use and application. But though all these may be *seen*, how many of them are in the clutch of the customs, and therefore can neither be worn nor tasted by the ordinary Englishman, nor in any way minister to his health, comfort, or pleasure! They are to be looked at, but not traded in, by any who would avoid the *Gazette*, and the previous persecution of honourable boards. Custom-houses and tariffs are the common enemies of the human race; their maxim is, "Thou shalt not do good to thy neighbour; neither communicate to him thy superfluity, nor receive of his in return; but ye shall remain strangers unto each other, when ye might be as brethren; enemies, when ye would be friends." And lamentably great has been their success in diffusing this hateful and unchristian doctrine!

The Association are no "prophets of smooth things;" they profess no art to make taxation pleasant, or its burthen light or easy. Still less do they dream of bringing prosperity ready cooked to every man's door, and dispensing with the ancient virtues of industry, economy, and self-denial. Their hopes and expectations are more in accordance with the dry realities of this work-a-day world. The load of taxation we have to bear is indeed heavy, but we have ample strength and resources to sustain it, if we have but the will and courage. Numerous plans for a better system of revenue have been detailed in these Tracts (see Nos. 26 and 27), no one of them probably perfect, no one capable of immediate adoption, without some revision and correction; but *all* incalculably better than that which exists; the worst among them infinitely less unequal, less vexatious, less injurious in a thousand ways than that! The taxation of industry is an evil and a sin which the world cannot, if it would, endure much longer; happy the nation which shall first be emancipated from such barbarous thralldom; happy the people who first proclaim and practise the truth, that the right to labour and to exchange the produce of labour is as much the gift of God to every human being as the right to *think* and to communicate his thoughts, and that it ought to be held equally sacred by individuals and by nations.

Liverpool, July, 1851.

ADDRESS OF THE COUNCIL

OF THE

LIVERPOOL

FINANCIAL REFORM ASSOCIATION

TO THE

TAX-PAYERS OF THE UNITED KINGDOM,

SHOWING HOW THE CLASS FOR THE PROTECTION OF WHOSE PROPERTY THE NATIONAL DEBT WAS INCURRED, CHANGED THE SYSTEM OF TAXATION, SO AS TO REMOVE THE BURDEN FROM THEIR OWN SHOULDERS TO THOSE OF THE PEOPLE.

Liverpool, March 5, 1849.

ON the 26th of February, the following resolution was submitted to the House of Commons for its consideration :—

“That the net expenditure of the Government for the year 1835 (Parliamentary Paper, No. 260, 1847) amounted to £44,422,000 ; that the net expenditure for the year ending the 5th of January, 1849 (Parliamentary Paper, No. 1, 1849), amounted to £54,185,000 ; the increase of nearly £10,000,000 having been caused principally by successive augmentations of our warlike establishments, and outlays for defensive armaments ; that no foreign danger, nor necessary cost of the civil Government, nor indispensable disbursements for the services in our dependencies abroad, warrant the continuance of this increase of expenditure ; that the taxes required to meet the present expenditure impede the operations of agriculture and manufacture, and diminish the funds for the employment of labour in all branches of productive industry, thereby increasing pauperism and crime, and adding grievously to the local and general burdens of the people ; that to diminish those evils it is expedient that this House take steps to reduce the annual expenditure, with all practicable speed, to an amount not exceeding the sum which, within the last fourteen years, has been proved to be sufficient for the maintenance of the security, honour, and dignity of the nation.”

This resolution the House refused to adopt by 275 to 78 votes.

The question of a reduction in the national expenditure adequate to afford relief to the people by a material lessening of taxation is thus, for the present, decided—it is refused.

The Chancellor of the Exchequer is reported, in the course of the debate, to have made the following observations :—“When he found that in the last twenty years the people of this country had been relieved from taxes to a most enormous extent, and that those taxes were on articles of consumption or the raw materials of manufacture, he was at a loss to understand on what ground it was now, for the first time, asserted in those associations throughout the country, and in a public manner, that taxation pressed in so grievous a manner. In the last twenty years there had been repealed or reduced taxes to nearly £20,000,000. There had been imposed taxes to about £9,800,000, the country being relieved to the extent of £9,899,000,

or nearly £10,000,000 of one description of taxes or another, taken from articles consumption and raw materials."

To these remarks the Association oppose the following comparison of taxation in 1801, and the three years ending 5th January, 1846, 7, and 8 :—

	1801.	1846.	1847.	1848.
Customs and Excise	£19,230,867	£36,339,150	£37,290,461	£35,575,314
Stamps	3,049,844	7,871,968	7,675,921	7,671,325
Taxes (including Property and Income)	9,857,134	9,624,394	10,018,144	10,165,516

Thus TAXES, strictly so called, and paid *altogether* by the wealthier classes (including the property and income tax), have increased since 1801, on an average of the three years ending 5th January, 1846, 7, and 8, by the comparatively trifling amount of £79,000 only, while STAMPS (including the probate and legacy duties, which do not apply to freehold property, and therefore press more on the middle classes) have increased in the same period £4,689,000; but the CUSTOMS and EXCISE, which are contributed by the masses, and which press most especially and most heartlessly on the poor, have, during the same time, been augmented by no less a sum than £17,070,000.

These CUSTOMS and EXCISE TAXES, taken chiefly from the poverty, and not from the property of the country, pay every farthing of the expenses of the State, including the civil government, justice, diplomacy, forces, public works, bounties, and miscellaneous; and, in addition thereto, from one-third to one-half of the interest on the national debt: so that property really pays not one farthing towards the government and defences of the country, and but little more than one-half of the sum required towards payment of the interest on a debt incurred for its especial benefit and protection.

This is placed beyond doubt or cavil by the following statement, taken from the official return of expenditure and income (Parliamentary Paper, 724, 1848) :—

	1846.	1847.	1848.
Civil Government	£1,562,887	£1,582,356	£1,598,809
Justice	1,557,756	1,693,019	2,074,277
Diplomacy	353,070	350,818	346,945
Forces	15,664,169	16,864,697	18,502,148
Bounties	11,738	11,519	16,979
Public Works	515,531	756,706	748,649
Quarantine and Warehousing Establishments...	136,325	141,966	151,649
Miscellaneous	1,568,451	1,899,099	3,375,252
	<hr/>	<hr/>	<hr/>
Amount received from Customs and Excise ...	21,369,927	23,300,180	26,814,708
	<hr/>	<hr/>	<hr/>
Balance over and above all expenses of the State, and which goes toward payment of the interest on the national debt	14,969,223	13,990,281	8,760,606

The House of Commons having decided that the expenditure shall not be largely reduced, the Association appeal to the country to urge upon the House that taxation ought, under any circumstances, but more especially after its recent decision, to be placed upon property and income, and fairly and equitably levied; as the only means of ensuring a wise economy in all branches of the public service; and not, as at present, upon articles of consumption and use, whereby the development of industry and the progression of social improvement are impeded, if not destroyed.

The time has arrived when, for its own security, property must bear the burdens of the State, and when, to enjoy its rights, it must discharge its duties.

By order of the Council,

WILLIAM FOULKES, Secretary.

CONDENSED VIEW OF
FINANCIAL REFORM,
OR THE
RELIEF OF INDUSTRY FROM UNJUST TAXATION.

The following is the substance of a petition to the House of Commons adopted by the Council of the Financial Reform Association :—

“That, in the opinion of your petitioners, the fiscal system of the British Government is discreditable to the judgment and professed patriotism of all who prolong its existence in this comparatively enlightened age and nation.

“That, to your petitioners, there appear but two legitimate sources of public revenue : the first being all accumulated property, real or funded, yielding current income, or other obvious and calculable advantages, to its owners ; and the second being the general income of the people at large resulting from the exercise of their industry and skill in all manner of occupations.

“And, to your petitioners, there appear but two principles that can justly be adopted in raising a revenue for the State : first, that every person should contribute according to the means he possesses, after providing the charges of ordinary existence ; and secondly, that the collection should be simple, direct, and therefore inexpensive.

“That, entertaining these views, your petitioners cannot but regard as highly disadvantageous a system which impedes the accumulation of wealth, and diminishes the profits of trade, by multifarious vexatious imposts and restrictions on the operations of industry and the intercourse of nations ; a system which taxes not wealth so much as the means of creating wealth, not profitable results so much as the struggling processes intended to lead to profit ; which depresses industry and skill by excise laws, commerce by customs dues, prudence by insurance duties, invention by the patent laws, health by the window tax, cleanliness by the soap duty, education by the paper tax, and intelligence by the news tax ; aggravating the whole by a cumbrous and costly system of collection, and at the same time holding out irresistible premiums to smuggling, adulterations, and other fraudulent practices, seriously injurious to the revenue, and even more so to the public morality, in successful defiance of coast guards, internal espionage, and prosecutions.

“That, added to these evils, a crowning injustice was perpetrated many years ago which to this day dishonours the statute book, and to which the attention of your Honourable House is earnestly called. Probate and Legacy duties were laid upon personal property, while real property was exempted, and is still exempt. The character of this grievance appears to be too obvious, too prejudicial to the reputation of statesmen, to admit of longer existence. When it is rightly understood, it is found by your petitioners to excite strong indignation amongst her Majesty’s loyal subjects.

“That, at present, the people are earnestly looking forward to relief from severa

of their most annoying burdens. Your petitioners, indeed, hope that many taxes and duties will be forthwith repealed or reduced ; but they confidently trust that if this be done to a larger amount than can be spared by the Exchequer, your Honourable House will not listen for a moment to the proposal of any new or revived tax in lieu, until full justice be done by extending the Probate and Legacy duties to real property. With those duties in hand the Financial Minister may relinquish numerous exactions now hindering the production of wealth ; *without* them he has no reasonable excuse for the levying of any other tax whatever. Should there, indeed, exist any "peculiar burdens on land," forming the slightest apology for the injustice herein pointed out, your petitioners pray that those burdens may be at once ascertained and removed, so as no longer to present a paltry excuse for an enormous injustice.

"Your petitioners, in conclusion, pray your Honourable House to take the foregoing into attentive consideration ; to do immediate justice with regard to the Probate and Legacy duties ; to revise the entire system of Taxation with the view of making the productive operations of industry really free ; and so to enforce economy as becomes the legislators of a nation resolved upon a career of peace and improvement, that all classes of the people may cheerfully bear their equitable proportion of the immediate burdens of the State.

"(On behalf of the Council)

"ROBERTSON GLADSTONE, President."

Financial Reform Association, Liverpool,

February 16, 1851.

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